United Nations A/C.2/63/SR.9

General Assembly
Sixty-third session

Official Records

Distr.: General
1 December 2008

Original: English

Second Committee

Summary record of the 9th meeting
Held at Headquarters, New York, on Wednesday, 15 October 2008, at 10 a.m.

Chairperson: Mr. Torrington (Vice-Chairperson) ..... (Guyana)

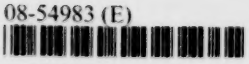
Contents

Agenda item 54: Operational activities for development

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

08-54983 (E)



In the absence of Ms. Ogwu (Nigeria), Mr. Torrington (Guyana), Vice-Chairperson, took the Chair.

The meeting was called to order at 10.20 a.m.

Agenda item 54: Operational activities for development (A/63/71-E/2008/46 and A/63/85-E/2008/83; A/63/201, 205 and 207)

1. **Mr. Stelzer** (Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs), introducing the Secretary-General's reports on the comprehensive statistical analysis of the financing of operational activities for development of the United Nations for 2006 (A/63/71-E/2008/46), on trends in contributions to operational activities for development of the United Nations and measures to promote an adequate, predictable and expanding base of United Nations development assistance (A/63/201) and on the implications of aligning the strategic planning cycle of the United Nations funds and programmes with the comprehensive policy review of operational activities for development (A/63/207), said that, on the conclusion of the triennial comprehensive policy review of operational activities for development of the United Nations system, the General Assembly had adopted resolution 62/208, setting out the modalities of development cooperation for the next three years. Over the following months, however, there had been a number of unexpected developments: first, the energy and food crises and then, the current financial turmoil.

2. The High-level Event on the Millennium Development Goals had given cause for optimism: it had shown that there was still much goodwill among Member States and civil society to undertake new commitments to achieve the Goals. The recent Accra High-level Forum on Aid Effectiveness had generated fresh commitments to the reform of development cooperation, as shown by the focus on national ownership and leadership, capacity development and greater accountability. He hoped that the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus (the Doha Review Conference) would be seized as an opportunity to adopt decisive measures on mobilizing finance and launching the systemic changes needed to bolster development. Indeed, the United Nations development system as a whole needed improved strategies and development cooperation. The system was currently helping Governments cope with the impact of the current crises and maintain a focus on long-term development goals.

3. The first two of the reports that he was introducing related to the financing of the United Nations system, which was under threat in the current environment. The third dealt with the need to ensure that the provisions of the comprehensive policy review translated into the effective operation of funds and programmes.

4. The first two reports were complementary: one consolidated the financial data on contributions and expenditure by 37 United Nations entities, while the other provided an analysis of the factors behind the trend in contributions and reported on measures to improve the financing of the system's development assistance. The total value of contributions received by the system for operational activities in 2006 had amounted to US$ 17.2 billion. Although that was 2 per cent less in real terms than the contributions received in 2005, it should be noted that the latter had been an exceptional year, owing to the occurrence of two humanitarian disasters, the Asian tsunami and the South Asia earthquake. Meanwhile, expenditure by the system had amounted to $16.4 billion on operational activities in 2006, a 2.2 per cent increase in real terms over 2005.

5. The report analysed the expenditure flows by entity, by funding and by country of expenditure. For the first time, it also contained a detailed analysis of the financing of operational activities for development by the specialized agencies. The persistent imbalance between core and non-core contributions gave rise to concern, with core contributions in 2006 accounting for only about 30 per cent of total contributions. Core funding that was not earmarked was fundamental to the system's ability to respond flexibly to changing country needs and priorities.

6. The report also set out a strategy for building a comprehensive, sustainable and consistent financial data and reporting system for operational activities for development and provided information on progress to date and planned activities. The Economic and Social Council had, at its most recent session, encouraged the Secretary-General to proceed with its work. As requested in General Assembly resolution 62/208, paragraph 29, the Secretary-General had taken practical steps to improve the quantity and quality of funding for United Nations development assistance.

The convening of the High-level Event on the Millennium Development Goals had shown the Secretary-General's determination to mobilize resources and political will. Moreover, before the Group of Eight (G-8) Summit in Hokkaido, Japan, the Secretary-General had sent a letter appealing to the eight countries to intensify their efforts to increase official development assistance (ODA). He had also requested his Special Adviser on Innovative Financing for Development to take on the additional task of mobilizing the political will to provide increased and more predictable funding for the United Nations system.

7. The Secretary-General was considering launching a good multilateral donorship initiative, in the light of the outcomes of the Accra High-level Forum on Aid Effectiveness and the Doha Review Conference. Such an initiative could be used as a platform for sharing best donor practices, increasing mutual accountability and providing guidelines for donors on the provision of effective multilateral aid. The progress of the initiative could be reviewed in the context of the high-level segment of the Economic and Social Council, particularly the biennial Development Cooperation Forum. He invited Member States to express their views.

8. The Chief Executives Board for Coordination had also been working to achieve greater coherence, coordination, simplification and harmonization. Through the Board, the Secretary-General would encourage United Nations bodies to move from ad hoc and fragmented extrabudgetary funding to the comprehensive programming of resource mobilization. In order to address the imbalance between core and non-core resources, common results-based planning, monitoring and reporting systems were being introduced. The multi-year funding frameworks and thematic funding arrangements had proved to be effective in monitoring the use and predictability of financial resources. The Secretary-General would also encourage United Nations bodies to adopt procedures such as the indicative scale of voluntary contributions applied by the United Nations Environment Programme (UNEP) or the replenishment-type negotiations used by the International Fund for Agricultural Development (IFAD). Partnerships with the private sector could help leverage previous resources.

9. Overall, the funding of United Nations development cooperation should be addressed as an integral part of efforts to maximize support to developing countries. There must be a strong political will to equip the United Nations system to support countries in their implementation of commitments. He counted on the Committee to provide further political guidance on strengthening the development system and putting it on a sound financial footing.

10. The third report that he was introducing (A/63/207) dealt with the issue of ensuring that strategic plans were anchored in the guidance given by member States, with particular reference to the four major funds and programmes — the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP) — which together accounted for about 60 per cent of country-level expenditure on operational activities for development. The triennial nature of the comprehensive policy review meant that the four-year strategic plans of funds and programmes could not benefit from the guidance of the latest review, since they were either prepared long before the review or already in the course of implementation. Shifting to a quadrennial cycle for the comprehensive policy review would offer a number of advantages, besides enabling better synchronization with the four-year planning cycles of funds and programmes. In particular, it would allow a more realistic time frame for implementing measures.

11. The report identified two options on the timing of a changeover to a quadrennial cycle. The first was to hold the next comprehensive policy review in 2010, as planned, and the subsequent one in 2014. The second was for the next review to take place in 2011. The report analysed the implications of both options, in terms of the adjustments that should be made to the funds' and programmes' current planning and biennial budget cycles.

12. **Ms. Alberdi** (Executive Director of the United Nations Development Fund for Women (UNIFEM)), introducing the report on UNIFEM activities transmitted by the Secretary-General (A/63/205), said that the Fund remained focused on the dual mandate set out in General Assembly resolution 39/125 which remained as relevant as it had been in 1984. It carried out its work in accordance with four-year plans approved by the UNDP-UNFPA Executive Board. The

report highlighted progress on each of the four outcomes contained in the multi-year funding framework 2004-2007, including the partnerships and strategies that UNIFEM employed to assist countries in formulating and implementing laws and policies to promote gender equality and women's human rights, building institutional capacity to allocate resources and establish accountability mechanisms to ensure implementation, strengthening the capacity of gender-equality advocates to influence and participate in mainstream development policymaking and programming and ending harmful practices and attitudes that perpetuated gender inequality worldwide.

13. The report built on previous reports but also took into account the commitments to gender equality and women's empowerment contained in the triennial comprehensive policy review, discussions on financing for development and gender equality within the Commission on the Status of Women at its fifty-seventh session, the Economic and Social Council Development Cooperation Forum in June and July 2008 and the High-level Forum on Aid Effectiveness in August and September. It also built on the findings of the biennial publication by UNIFEM, entitled *Progress of the World's Women 2008-09: Who Answers to Women?* The publication had been launched just before the High-level Event on the Millennium Development Goals in order to draw attention to challenges that needed urgent attention: women were outnumbered four to one in legislatures around the world; over 60 per cent of all unpaid family workers globally were women; in sub-Saharan Africa, three women were infected with HIV for every two men; and, in some parts of the world, 1 in 10 women died from pregnancy-related causes, even though the means of preventing maternal mortality were cost-effective and well known.

14. In 2008, the Task Team on Gender Equality, chaired by UNIFEM and including representation from 17 United Nations entities, had finalized its work on a first round of field-testing of indicators that United Nations country teams could use. The indicators had been distributed to all resident coordinators by the UNDP Administrator, encouraging country teams to use them as a baseline against which to measure changes in performance on gender inequality. The United Nations Development Group (UNDG) would be monitoring and supporting country teams' efforts to use the tool — often in combination with the gender audit methodology developed by the International Labour Organization (ILO) — and to undertake analysis of the achievements and difficulties that they encountered in their efforts to respond to national-level demand for gender equality support.

15. The Task Team had also continued to analyse the annual reports of resident coordinators to track changes in the types of national-level activities that the country teams were supporting. Over the past four years, trends had been positive overall. The number of joint initiatives on gender equality had doubled since 2004, initiatives to end violence against women had nearly tripled and capacity development support for national women's machineries had gone up over fourfold. Although reporting by resident coordinators on specific initiatives had increased, however, important gaps remained. There was, for example, no system-wide approach to tracking the resources that United Nations organizations invested in gender equality and women's empowerment. As a result, there had been too little progress in achieving all the Millennium Development Goals, especially that relating to gender equality and women's empowerment.

16. Regional initiatives had included the Fund's ongoing chairing of the Gender and Human Rights Advisory Group of the Regional Directors' Team in southern Africa and its work, in cooperation with UNFPA, to engage young men, and address sexual violence against young women, in Latin America and the Caribbean. In the Asia-Pacific region, UNIFEM and the Economic and Social Commission for Asia and the Pacific (ESCAP) had brought together 23 regional offices under the Regional Coordination Mechanism's Thematic Working Group on Women's Empowerment and Gender Equality to review gender-based threats to attaining the Millennium Development Goals in the region. To ensure that regional coordination mechanisms intensified their efforts in support of gender equality, UNIFEM was working with the Intergovernmental Authority on Development (IGAD) to implement their gender policy framework; with the South Asian Association for Regional Cooperation (SAARC) to develop standardized indicators for a regional gender database; and with the Association of Southeast Asian Nations (ASEAN) to develop a gender-sensitive human rights instrument on migration.

17. At the country level, UNIFEM had strengthened its partnerships with Governments, civil society and multilateral agencies on gender equality financing at

the country level. Such partnerships were key to amplifying the voices of gender equality advocates in policy processes. Furthermore, UNIFEM had focused on building capacity among gender equality advocates; had brought together Government officials and gender equality advocates from all regions in the run-up to the Third High-level Forum on Aid Effectiveness, held in Ghana in September; a id had forged partnerships and built capacities with a view to mainstreaming gender-responsive budgeting in key ministries.

18. Priority issues in the follow-up to the High-level Forum included ensuring that gender-responsive budgeting was an integral part of public financial management reform; securing country-level agreement on a set of indicators to monitor the impact of aid and domestic resource mobilization on gender equality and women's empowerment; incorporating those indicators into official monitoring and evaluation systems; and adopting innovative funding mechanisms to help gender equality organizations participate in national development planning and reconstruction. She expressed appreciation to the Netherlands, Denmark and Spain for their efforts in that regard and to Governments and private sector donors that had helped bring about the fourfold increase in the resource base of the United Nations Trust Fund to End Violence against Women. The momentum on gender equality generated at the Third High-level Forum on Aid Effectiveness, the High-level Event on the Millennium Development Goals and the High-level Meeting on Africa's Development Needs must be taken into the Follow-up International Conference on Financing for Development. Gender equality advocates, meanwhile, must secure concrete commitments to scale up support for gender equality priorities. Such efforts were particularly important in light of the current financial crisis.

19. The United Nations system's potential for reducing fragmentation and working in a coordinated manner had increased significantly in recent years, making it easier for countries to access the technical expertise and support for gender equality and women's empowerment that existed within the system. In 2007, UNIFEM had been a partner in over 50 inter-agency initiatives. Today, discussions on how to strengthen United Nations system support in the area of gender equality were focusing on the resources needed to support change on the ground. Coordination and coherence were a means, not an end. They should produce a more effective United Nations at the country level, one that could provide on-demand, high-quality support to countries with a view to accelerating progress on gender equality and women's empowerment.

20. **Mr. Delacroix** (France), speaking on behalf of the European Union; the candidate countries the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania and Montenegro; and, in addition, Armenia, the Republic of Moldova and Ukraine, said that both of the options set out in the Secretary-General's report on the implications of aligning the strategic planning cycles of the United Nations funds and programmes with the comprehensive policy review of operational activities for development (A/63/207) were interesting. Aligning strategic planning cycles with the comprehensive policy review and changing the review from a three-year to a four-year cycle would make it easier for the organizations concerned to incorporate the recommendations of the review into their new strategies would make the United Nations system more coherent and would allow for a midterm review to assess progress in implementing the recommendations of the previous triennial review. Both options would require the planning cycles of UNDP, UNFPA, UNICEF and WFP to be aligned; consideration might also be given to aligning the planning cycles of the funds associated with UNDP, namely UNIFEM, the United Nations Capital Development Fund (UNCDF) and the United Nations Volunteer Programme. While both options had their merits, the first option — to proceed with the triennial comprehensive policy review as scheduled in 2010 and shift to a quadrennial comprehensive policy review beginning in 2011 — would require fewer changes to current planning cycles. The European Union looked forward to discussing the two options with a view to adopting a text on the subject during the current session.

21. Turning to the Secretary-General's report on trends in contributions to operational activities for development of the United Nations system and measures to promote an adequate, predictable and expanding base of United Nations development assistance (A/63/201), he said that, even though operational activities for development often suffered owing to the voluntary nature of funding for them, contributions from donors, particularly European donors, had increased considerably. The European

Union had made a commitment to provide more — and more predictable — development assistance.

22. The European Union was open to the idea of defining best practices for multilateral funding, provided the United Nations system continued to improve its strategic planning and evaluation capacity and its accountability. In particular, urgent steps should be taken to establish a comprehensive, sustainable and consistent financial data and reporting system for the operational activities for development of the entire United Nations system.

23. For adequate and predictable resources to be mobilized, the United Nations must provide an accurate assessment of performance and of steps taken to improve performance. Moreover, collaborative approaches to fund-raising must be implemented at all levels; the implementation of innovative mechanisms, such as those developed as part of the "Delivering as One" initiative, was an interesting possibility in that regard. Strategies or partnerships with other actors, such as regional banks or the private sector, would also bring in resources.

24. Turning to the note by the Secretary-General transmitting the report on the activities of UNIFEM (A/63/205), he commended UNIFEM on successfully implementing its multi-year funding framework 2004-2007 and encouraged UNIFEM to continue to be actively involved in the processes leading to a stronger and more coherent United Nations architecture for gender equality and women's empowerment.

25. The High-level Meeting on Africa's Development Needs and the High-level Event on the Millennium Development Goals had stressed the need for international actors to pool their efforts to improve the economic and social situation of developing countries. The implementation of resolution 62/208 on the triennial comprehensive policy review of operational activities for development of the United Nations system, which the European Union fully supported, would strengthen the role of the Organization in that regard.

26. He commended UNDG for its efforts to implement the resolution. The management and accountability system of the United Nations development and resident coordinator system was another step forward in strengthening resident coordinators' authority and responsibility on the ground.

27. The United Nations must play its part in implementing the Paris Declaration on Aid Effectiveness, whose principles had been further developed at the Third High-level Forum on Aid Effectiveness. The European Union looked forward to seeing the results of the implementation of resolution 62/208 and called on UNDG to present proposals towards the implementation of the Accra Agenda for Action.

28. **Ms. Asmady** (Indonesia), speaking on behalf of ASEAN, said that the current global context lent particular significance to the operational activities for development of the United Nations system. The system must intensify its efforts to address declining ODA and cuts in funding. The development needs of developing countries must be met. In that regard, she called on donor countries to meet the target of providing 0.7 per cent of gross national income (GNI) as ODA. In addition, cooperation within the United Nations system and with donors, the private sector and civil society must be strengthened. Donors must also honour their commitment to increase funding to operational activities, by providing core resources and increasing development assistance overall. Such measures should take account of the national strategies and priorities of developing countries.

29. United Nations mechanisms and funding modalities must be improved as a matter of urgency in order to promote an upward trend in real contributions. At the country level, the Organization must improve aid effectiveness through better quality and delivery, a more effective use of resources, simplified and harmonized operational processes, reduced transaction costs and enhanced national ownership. It must also be given the tools needed to assist countries in attaining the Millennium Development Goals and must measure progress in a concrete and tangible manner. To that end, it must continue to foster reform by promoting leadership, providing clear guidance and enhancing the coherence, effectiveness and efficiency of the United Nations system. She welcomed the initiatives and reforms undertaken in that regard.

30. She welcomed the "Delivering as One" pilot initiative currently under way in eight countries — including Viet Nam, an ASEAN member — and took note of the general findings and recommendations issued following the "Delivering as One" seminar held in Mozambique in May. The pilot initiative was expected to provide essential input to

intergovernmental consultations on the Organization's operational effectiveness. She also took note of the assessment of the progress made by UNIFEM programmes and activities at the country level and looked forward to discussing the related recommendations of the Secretary-General.

31. ASEAN was committed to strengthening cooperation with the United Nations system in order to promote effective operational activities for development. The fact that ASEAN and the United Nations had recently signed a memorandum of understanding demonstrated their mutual commitment to peace and development.

32. **Mr. Olago Owuor** (Kenya), speaking on behalf of the Group of African States, which aligned itself with the statement made by Antigua and Barbuda on behalf of the Group of 77 and China, stressed the importance of the operational activities for development of the United Nations system and reiterated the need to adhere to its fundamental principles of universality and neutrality and to its voluntary and grant-based nature. The Secretary-General's continued efforts to build a comprehensive and sustainable financial data and reporting system on United Nations operational activities were welcome. Well-managed operational activities would enable the United Nations system to better serve African countries in their efforts to achieve the internationally agreed development goals, including the Millennium Development Goals. In that regard, he commended the Secretary-General for his efforts to improve the annual financial report to the operational activities segment of the Economic and Social Council and to harmonize the statistical analysis of the financing of operational activities. He noted with concern that the total value of contributions received by the United Nations system for operational activities had decreased by 2 per cent in real terms in 2006 as compared to 2005 and that the share of core contributions to United Nations funds and programmes had declined in recent years, and reiterated the Group's support for resolution 62/208, which stressed that core resources, because of their untied nature, continued to be the bedrock of the operational activities for development of the United Nations system.

33. He also welcomed the Secretary-General's efforts to promote an adequate, predictable and expanding base of United Nations development assistance. The Group agreed that the level of resources of the organizations had to be commensurate with the mandates and demands placed upon the system and supported the call for donor countries to increase their funding to operational activities, notably through the provision of core resources. It was a matter of concern, however, that the ODA/GNI ratio had fallen from 0.31 per cent in 2006 to 0.28 per cent in 2007. Developed countries that had not yet done so must honour their commitment to provide 0.7 per cent of GNI as ODA to developing countries and 0.15 to 0.20 per cent of GNI as ODA to the least developed countries.

34. Contributions from non-traditional donors had become increasingly important, particularly in view of growing South-South cooperation. Multi-donor funds or pooled resources provided a significant contribution to the provision of additional and predictable resources for development assistance. More needed to be done to strengthen the impact of country-level programmes and ensure that they were based on national priorities.

35. Turning to the Secretary-General's report on the implications of aligning the strategic planning cycles of the United Nations funds and programmes with the comprehensive policy review of operational activities for development (A/63/207), he said that the proposed alignment would enable the United Nations system to deliver development assistance in a more coherent, effective and relevant manner. Consideration should also be given to aligning United Nations Development Assistance Frameworks (UNDAFs) with countries' development programme cycles. The two options presented by the Secretary-General and the detailed analysis accompanying them would, he was sure, allow the General Assembly to make a well-informed decision.

36. He noted the work done by UNIFEM in African countries and encouraged it to continue its efforts in that regard.

37. Lastly, he took note of the Statement of Summary of Outcomes and Way Forward adopted at the "Delivering as One" seminar held in Mozambique in May and welcomed the recent adoption of resolution 62/277 on system-wide coherence, reflecting the Assembly's decision to focus its continuing work on system-wide coherence exclusively on "Delivering as One" at the country and regional levels, harmonization of business practices, funding, governance, and gender equality and the empowerment of women.

38. **Mr. Wolfe** (Jamaica), speaking on behalf of the Caribbean Community (CARICOM), said that the United Nations was a valuable partner in the provision of development assistance, particularly given the increasingly precarious international environment. The current crises posed significant challenges to CARICOM and other developing countries and underlined the need for increased effectiveness in United Nations operational activities for development. As their effectiveness was largely determined by the financial resources at the Organization's disposal, predictable, stable and long-term funding, particularly core funding, was of crucial importance.

39. Regrettably, total funding of the United Nations system, in real terms, was declining, as was core funding compared to non-core funding. Unearmarked funding should complement the regular budget. With the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus around the corner, he stressed the importance of mobilizing the necessary political will to address the problem of shrinking ODA. In the meantime, he urged Member States, particularly donor countries, to scale up their contributions to core funding.

40. The growing tendency of donors to channel their contributions through bilateral cooperation programmes and multilateral frameworks other than the United Nations undermined the predictability of the Organization's development assistance and limited the extent to which its development system could respond to the priorities of programme countries. The principle of national ownership must be preserved.

41. Development operations should consistently seek to enhance the multilateral character of the United Nations, rather than undermine it, or compromise the Organization's neutrality, impartiality and legitimacy as a partner in the provision of development assistance. He trusted that the Development Cooperation Forum would remain seized with such critical matters over the next few years.

42. The economic classification of CARICOM countries as middle-income countries, on the basis of limited macroeconomic criteria overlooked the stark realities at the microeconomic level. The graduation of some of those countries from United Nations development assistance and from concessionary financing from major lending institutions had only exacerbated the precarious position of CARICOM, which, in fact, continued to need assistance from the international community, especially Haiti.

43. CARICOM attached great importance to the comprehensive policy review of operational activities for development. In switching from a triennial to a quadrennial cycle, Member States should reflect on which option would allow the General Assembly to provide greater guidance to the governing bodies of the funds and programmes, as well as on the implementation of programme activities. Programme support should never be jeopardized.

44. **Ms. Blum** (Colombia) said that effective implementation of General Assembly resolution 62/208 was a priority and, as such, required the full commitment of United Nations programmes, funds and agencies. The decisions on monitoring the implementation of that resolution adopted at the most recent session of the Economic and Social Council were important guidelines in that regard. The monitoring process must promote concrete actions and progress in terms of national ownership, which was crucial to ensuring the effectiveness and sustainability of operational activities. The United Nations system should consistently seek to coordinate its actions with national Governments, particularly in the transition from relief to development.

45. Successful implementation of the triennial comprehensive policy review of operational activities for development and other relevant commitments depended on a stable, broad and predictable resource base. Colombia echoed developing countries' call for a greater balance between core and non-core resources. It also reiterated the importance of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action in working towards more transparent and results-oriented cooperation.

46. Middle-income countries played a critical role in development but faced challenges arising out of poverty and inequality, making ODA ever more essential. Her delegation expressed its willingness to support initiatives that could translate into concrete support for the development efforts made by middle-income countries.

47. Noting that the United Nations was in a position to promote South-South cooperation, she welcomed the fourth cooperation framework for South-South cooperation adopted by the UNDP Executive Board

and trusted that the General Assembly would endorse implementation of the framework.

48. **Mr. Alimov** (Russian Federation) said that all United Nations organizations and Member States should implement in full the provisions of General Assembly resolution 62/208, which, like previous comprehensive policy reviews, formed the basis for the direction — and the reform — of development activities. Operational activities would be improved only if reforms were coherent and consistent. His delegation supported the proposal to shift the comprehensive policy review from a triennial to a quadrennial cycle so that it would be aligned with the planning cycles of funds and programmes.

49. The Secretary-General's report on trends in contributions to operational activities for development of the United Nations and measures to promote an adequate, predictable and expanding base of United Nations development assistance (A/63/201) gave a fair and objective description of the situation. The trend decline in ODA was, regrettably, being duplicated in the United Nations system itself. The Department of Economic and Social Affairs and the regional economic commissions, in particular, were woefully underfunded. It was crucially important to enhance the overall potential of United Nations development activities. His delegation trusted that the Fifth Committee's consideration of the Secretary-General's proposals on the topic would lead to the adoption of balanced and pragmatic decisions in that regard. The basic method of supplementing the resources of the operational agencies should, however, remain voluntary and, above all, unearmarked contributions from Member States.

50. South-South cooperation was an important element of the global architecture of development assistance, which was based on well-defined principles, the most important being solidarity. His delegation concurred with developing countries that South-South cooperation was complementary to North-South cooperation and other traditional forms of development assistance. It was a question of growing importance and should be given careful consideration. Organizations of the United Nations system, particularly UNDP, should play a more active role in helping to extend cooperation between developing countries and supporting South-South cooperation. He expressed his delegation's support for a United Nations conference on South-South cooperation.

51. The Secretary-General's report on the activities of UNIFEM gave a fair picture of the outcomes of the multi-year funding framework 2004-2007, which had generally been successful. UNIFEM was an important independent element within the United Nations system that made its own contribution to development in poor countries, including those of Central and Eastern Europe and the Commonwealth of Independent States. At the same time, the UNIFEM management system included some elements that had no obvious value in the modern world, involving additional expenditure and calling into question the Fund's accountability. Such flaws would, however, disappear with the reform of the United Nations "gender architecture".

52. **Mr. Zainal Abidin** (Malaysia) expressed concern about the recent downward trend in total contributions to United Nations operational activities and in the number of countries contributing, failed efforts to expand the donor base and the persistent imbalance between non-core funding and core funding. The situation was further compounded by an overall decline in resources dedicated to the United Nations development pillar.

53. It was of the utmost importance to determine why the political will to equip the United Nations to support the developing world was lacking, and to address three fundamental questions: whether there was a systemic attempt to weaken the involvement of the United Nations in development and operational activities; whether the multilateral, voluntary, neutral and grant-based nature of the United Nations was perceived as a weakness as the developed world increasingly opted for bilateral channels to provide development assistance; and whether there was an increasing sense of donor fatigue. In the meantime, the Secretary-General should be requested to produce a report that addressed such issues and provided feedback from the developed world, including information on the resources they contributed to the United Nations operational system and to cooperation in general.

54. He expressed concern for the safety of United Nations staff members serving in the field; the tendency to target them directly was particularly alarming. His delegation supported all efforts to strengthen security in the field; however, increased security measures must not lead to increased isolation, which, would only make staff more susceptible to attacks. In addressing the issue of targeted attacks against staff members, Member States must consider

whether the nature of conflict had changed in such a way as to make the United Nations appear as a legitimate target, review the increasingly prevalent integrated missions and their potential role in making humanitarian workers more susceptible to danger, and determine whether or not belligerents still perceived the United Nations to be neutral.

55. **Mr. Charan Sethi** (India) said that the Secretary-General's report on trends in contributions to operational activities for development (A/63/201) and the comprehensive statistical analysis of the financing of operational activities for development of the United Nations system for 2006 (A/63/71) painted a dismal picture. Not only were the great majority of ODA funds disbursed through channels other than the United Nations, but contributions to the United Nations system in 2006 had actually declined in real terms. Without sufficient funding and a broad funding base, the ability of the United Nations system to deliver in a coherent, relevant and effective manner was impaired. Greater political will was required to ensure that the Organization was equipped to deal with the development challenges of the world.

56. When discussing system-wide coherence and related reforms, Member States should use caution: better delivery of development operations should not be hostage to structural objectives, which remained nebulous. Programme content was as important, if not more important, than the pursuit of purely administrative measures. Furthermore, the "Delivering as One" objective must not hamper the ability of recipient countries to determine national priorities.

57. His Government fully supported the objectives of gender empowerment, parity and mainstreaming; however, measures designed to improve the operational capacity of the United Nations in such areas must be adequately funded and monitored by the General Assembly.

58. South-South cooperation, which had taken on increasing importance in recent years, was necessary for mitigating the adverse effects of international economic policies, including the current financial crisis. United Nations development activities should focus more on harnessing the potential of South-South cooperation.

59. **Ms. Zemene** (Ethiopia) said that declining ODA, coupled with decreasing core resources and growing reliance on voluntary, extrabudgetary and earmarked contributions for the funding of United Nations operational activities, was a source of great concern for the poorest countries. Current trends exacerbated unpredictability and unreliability of resources. Multi-year funding frameworks had not significantly improved predictability of funding and donors did not pay on schedule. Strong political will was crucial to enable the Organization to support countries in implementing international commitments.

60. Broadening the donor base was important for enhancing the long-term financial sustainability of United Nations operational activities. She supported the call for donor countries to increase their contributions to such activities, especially through the provision of core resources.

61. The primary responsibility for development lay with individual countries through national ownership and leadership of country-based programmes. The effective implementation of the triennial comprehensive policy review of operational activities for development was therefore of paramount importance. The activities of the United Nations system should be carried out in such a way as to avoid parallel structures and to promote implementation and evaluation under the umbrella of a single common United Nations framework.

62. Aligning the strategic planning cycles of the United Nations funds and programmes with the comprehensive policy review of operational activities for development (A/63/207) contributed to enhancing the coherence, effectiveness and relevance of the United Nations system. With regard to the recommendations contained in the report, the General Assembly should be given the support necessary to help it arrive at a well-informed decision.

63. **Mr. Panyapattanakul** (Thailand) said that the United Nations development system and Member States must make concerted efforts to overcome the challenges faced by developing countries to achieve their Millennium Development Goals by 2015. Consequently, the United Nations should play a more proactive role so that, in addition to ensuring greater coherence and coordination in its work, it enhanced its capacity to respond to Member States' needs; it should also strengthen its operational activities in order to make development assistance at all levels more effective and timely.

64. System-wide coherence, particularly between the country and the regional level, was also important to ensure that the development assistance provided by the United Nations agencies was responsive to country needs. The "Delivering as One" pilot programme was an excellent mechanism in that regard. Furthermore, the regional commissions should carry out their mandates in coordination with the United Nations country teams. The Commissions could also serve as hubs for countries to learn from one another and exchange views on policy options, strategies and good practices.

65. South-South cooperation could play a complementary role to the traditional North-South cooperation by establishing trilateral North-South-South cooperation to disseminate the advanced knowledge and technology of a developed country through the experiences of a developing country.

66. There was great concern that countries would be unable to achieve their Millennium Development Goals by 2015; every effort must be made to ensure that development did not become a casualty of the domestic interests of donor countries and that they honoured their commitment to meet the ODA target of 0.7 per cent of GNI. Lastly, women had a vital role to play in the achievement of the Goals, commencing at the level of the family. In that connection, the work of UNIFEM in empowering women and mainstreaming gender in all the Goals was greatly appreciated.

67. **Mr. Gass** (Switzerland) said that the triennial comprehensive policy review enjoyed broad recognition within important intergovernmental processes and had become a policy framework for the Chief Executives Board; thus, the General Assembly was playing a stronger convening and policy-setting role. Switzerland welcomed the adoption of Economic and Social Council resolution 2008/2 on the management process for the implementation of General Assembly resolution 62/208, which strengthened the complementarity between the General Assembly and the Council with regard to governance of the operational system. In addition, progress had been made on simplification and harmonization under the leadership of the Chief Executives Board, on the harmonization of accountability frameworks by several United Nations agencies, and by the launching of a common post-disaster needs assessment by the United Nations and the World Bank. The initiatives taken by some programme countries to promote greater coherence within the United Nations family at the field level — most recently at the workshop held in Maputo in May — were another positive element.

68. The availability of data on the financing of operational activities was essential for meaningful intergovernmental deliberations on funding. The General Assembly should request that the information on the United Nations system's technical cooperation expenditure, currently produced by UNDP, be included in the comprehensive statistical analysis in order to improve the system's efficiency. A variety of non-core contributions provided an important supplement to regular resources; nevertheless, they were not a substitute for core resources, which should remain the basis for operational activities for development. Increasing core contributions meant that the operational system had to be both efficient and effective and that the reform proposals decided in the triennial comprehensive policy review should result in concrete changes. UNDAFs, strategic plans, results-based management and accountability frameworks had brought a measure of progress. A systematic culture of evaluation would enhance the system's credibility among current and potential donors.

69. To improve the funding of operational activities for development, the United Nations operational system needed to gain political visibility and authority by placing itself at the centre of debates on emerging issues and affirming its values and principles. The United Nations had demonstrated some weaknesses in that regard; for example, although the debate on climate change had been initiated under its aegis, the Organization was now somewhat marginalized from operational and financial initiatives, despite current international interest in the issue. Quite apart from the United Nations ability to position itself, there was the question of whether its operational system could become the leading force in emerging issues. Its fragmented nature meant that it had more difficulty speaking with one voice and positioning itself than a compact integrated institution with high-quality technical and scientific expertise, under a single administration and in a sound financial situation.

70. Multilateral funding decisions were susceptible to peer pressure among donors. Consequently, Switzerland welcomed the Secretary-General's proposal to launch a good multilateral donor initiative aimed at improving the quality and quantity of

financial contributions to the United Nations development system.

71. With regard to the options for aligning the strategic planning cycles of the United Nations funds and programmes with the comprehensive policy review, Switzerland preferred to extend the duration of the current cycle and carry out a quadrennial review in 2011, thus providing the operational system and Member States with more time to focus on implementing the policy guidelines provided by the General Assembly and the Executive Boards. Evidently, several funds and programmes would have to extend the duration of their current strategic plans; however, that would give the agencies and staff in the field more time to respond to the needs and challenges of poverty reduction rather than focusing on the next strategic planning exercise. It would also allow more time to build on lessons learned and increase the relevance of the 2009 midterm review exercise.

72. **Mr. Chidumo** (Mozambique) expressed concern about the decrease in the total value of contributions to the United Nations system in recent years. Moreover, the perception of developed countries with their own economies in the current financial turmoil could result in a drastic reduction of ODA and jeopardize efforts to achieve the Millennium Development Goals. The developed countries were therefore urged to achieve the target of 0.7 per cent of GNI for ODA, and 0.15 to 0.2 per cent for the least developed countries. The increase in ODA should address the growing imbalance between core and non-core resources and increase the resources available for United Nations operational activities for development.

73. The initiatives of the Secretary-General, with the support of some donor countries, to bring additional, predictable financial resources into the United Nations system were to be commended and should be continued and expanded. The creation of the MDG Achievement Fund by Spain in 2006 to channel substantial financial resources through UNDP to support the achievement of the Goals in countries such as Mozambique was another laudable initiative and other donors should consider joining it.

74. Mozambique was fully committed to the reform of the United Nations system to ensure it played an effective role in supporting national efforts to achieve poverty reduction objectives. The "One UN" approach was providing a framework to ensure coherence with national development programmes and priorities; nevertheless, while positive results had been achieved as regards national ownership and Government leadership of the partnership with the United Nations system at country level, the funding gap remained a major challenge.

75. The General Assembly was tackling the issue of system-wide coherence and Mozambique welcomed the Secretary-General's recommendations on aligning the strategic planning cycles of the United Nations funds and programmes with the triennial comprehensive policy review. However, it shared the African Group view that the process should take into account the need to align the development assistance frameworks with the development programme cycles of the countries concerned.

76. **Mr. Mishkorudny** (Belarus) said that, at a time of global financial instability, the development activities of the United Nations assumed even greater importance. At its substantive session in July 2008, the Economic and Social Council had therefore assessed the progress made in implementing General Assembly resolution 62/208, which set out the conditions for development cooperation, and indicated the priorities that should be pursued.

77. One such priority was cooperation in modernizing energy technology, especially in middle-income countries. In view of the steady decline in energy resources and the growing problems caused by climate change, his delegation hoped that the United Nations would assist programme countries by extending access to alternative energy sources, and that such entities as UNDP and UNFPA would take measures to extend access for programme countries to the most up-to-date energy and other technologies. The debates organized on the initiative of his delegation, among others, during the current session gave States and United Nations entities the opportunity to discuss how the United Nations system should help to lay the groundwork for the introduction of the newest energy efficiency technology.

78. Important though it was to meet the needs of the least developed countries, the middle-income countries should not be neglected. The need to support such countries was set out not only in General Assembly resolution 62/208 but also in the outcome of the Third Ministerial Conference on Development Cooperation, held in Windhoek, Namibia, in August 2008. The

outcome called on UNDP, UNFPA and other United Nations bodies to adopt measures on reviewing the system of resource distribution so that the needs of middle-income countries could be duly taken into account.

79. A number of large middle-income States, including Brazil, China, India, Mexico, the Russian Federation and South Africa, already played an important role in every area of international cooperation and made a positive contribution to stable development in their regions. Many others remained vulnerable, however. Relatively high indicators of per capita income masked the fact that such States could not always resolve problems on their own, with regard to, for example, reconstruction after natural disasters or managing epidemics. The United Nations system should continue to provide timely and adequate assistance in dealing with such problems. Experience showed that stable development in middle-income countries benefited not only the countries themselves but also other programme countries, in that trade and investment links were thereby extended. There had been three international conferences on the problems of middle-income countries. The time had come for the General Assembly to adopt a resolution requiring the United Nations system to take on the role of supporting such countries. A draft resolution to that effect would shortly be submitted to the Committee.

80. **Ms. Navarro** (Cuba) said that the current international situation posed a grave threat to the real possibility of the developing countries implementing their national strategies and plans and complying with the internationally agreed development goals, including the MDGs. The funds and programmes urgently required an adequate and predictable level of funding, particularly core resources, so that they could continue their efforts to support the priorities of national governments. The developed countries should not use the financial crisis as an excuse for failing to provide development assistance in the required amount and manner.

81. The problems described in the Secretary-General's report on trends in contributions to operational activities for development of the United Nations system (A/63/201) were worrying. Country-based, demand-driven approaches, rooted in national priorities, should be advocated to quantify funding requirements, rather than donor countries' inclination to finance only their areas of interest. That issue should be taken up at the Follow-up International Conference on Financing for Development.

82. Cuba was concerned about the divorce between intergovernmental debates and decisions and some of the strategy documents proposed by the Executive Boards of the funds and programmes to guide work in the field; that was particularly true of UNDP. Hence, intergovernmental monitoring of all the agencies of the United Nations system was important to ensure real coherence between their operational and regulatory frameworks. Recent attempts to politicize operational activities, particularly in the work of UNDP, also gave cause for concern. Almost all Member States had rejected this tendency, considering it totally unacceptable; nevertheless, it had increased recently, following reform of the policy on the declassification of previously confidential audit reports of the funds and programmes. Cuba rejected the indiscriminate disclosure of such information which, behind the alleged need for oversight, had hidden political motives based on selectivity and double standards.

83. The Second Committee should also avoid sterile discussions on so-called "system-wide coherence", in order not to prejudice the plenary Assembly's deliberations on the issue. In any case, it was neither viable nor desirable to apply a single formula to all developing countries in the area of operational activities, because that would lead to a loss of flexibility in the field to respond to specific national development needs.

84. **Mr. Al-Hurabi** (Saudi Arabia) said that despite being a developing country itself, his country had provided over $90 billion in grants and concessional loans to developing and least developed countries, which amounted to 4 per cent of its GNP, far exceeding the ODA target. Each developing country should be allowed to achieve development in its own way; it was the developed countries' responsibility to alleviate concerns about the global economic system and eliminate unfair restrictions on market access. The Arab States had made great strides in development over the previous decade, and his country was a major supporter of the development initiatives of the League of Arab States. It was also exerting its influence to ensure global oil market stability for the benefit of both producer and consumer States, and on several previous occasions had maximized its productive capacities to ensure adequate reserves.

85. **Ms. Greenaway** (Antigua and Barbuda), speaking on behalf of the Group of 77 and China, said that, although the Committee had stressed the importance of adequate and predictable funding for the United Nations system and for operational activities in general during previous sessions, there had been no significant improvement and the situation was now compounded by the negative economic outlook.

86. Despite the pledge by G-8 members to increase aid to $130 billion by 2010, it was unlikely that that target would be met. The failure to honour commitments to raise ODA to the requisite levels to achieve the internationally agreed development goals, including the MDGs, was disturbing. The Second Committee should ensure that the General Assembly took the necessary actions to avoid failure to reach the Goals.

87. The Group of 77 and China reiterated the call for the United Nations system to play a greater role in helping countries pursue economic and social development according to national plans and priorities. Member States should ensure that the necessary resources were provided on a predictable basis, and donor countries should increase their funding for operational activities. The Group also urged the Secretary-General to increase efforts to augment core contributions, and address the imbalance between core and non-core contributions, because it was extremely important to develop a coherent and coordinated multilateral framework for development assistance. While implementation should favour system-wide actions, however, initiatives should avoid a "one size fits all" approach.

88. The Group of 77 and China was still considering the options set out in the Secretary General's report on the implications of aligning the strategic planning cycles of the United Nations funds and programmes with the comprehensive policy review of operational activities. Any final decision on the best way to lengthen the comprehensive policy review cycle should ensure that the strategic plans of the funds and programmes received policy guidance from the General Assembly.

The meeting rose at 1.05 p.m.

United Nations A/C.2/63/SR.10

General Assembly
Sixty-third session

Official Records

Distr.: General
21 November 2008

Original: English

Second Committee

Summary record of the 10th meeting
Held at Headquarters, New York, on Wednesday, 15 October 2008, at 3 p.m.

Chairperson: Mr. Torrington (Vice-Chairperson) ..... (Guyana)

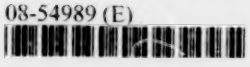
Contents

Agenda item 54: Operational activities for development (*continued*)

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

08-54989 (E)



In the absence of Ms. Ogwu (Nigeria), Mr. Torrington (Guyana), Vice-Chairman, took the Chair.

The meeting was called to order at 3.15 p.m.

Agenda item 54: Operational activities for development (*continued*) (A/63/71-E/2008/46, A/63/85-E/2008/83, A/63/201, A/63/205 and A/63/207)

1. **Mr. Liu** Zhenmin (China) said that the world was facing unprecedentedly complex challenges in the development arena: the worsening imbalance in the global economy; the acute problems of financial, energy and food security; climate change; environmental degradation; and disease and frequent natural disasters. With the gap between North and South and between rich and poor widening, eradication of poverty remained an elusive dream. The United Nations development system still had a long way to go and daunting difficulties to overcome in order to assist countries in achieving the internationally agreed development goals, including the Millennium Development Goals. Given that grim reality, priority must be given to the major issues that would impact the overall situation.

2. First, United Nations funds, programmes and specialized agencies should fully utilize the political consensus reached at the High-level Event on the Millennium Development Goals, and accord top priority to their development functions in order to ensure effective implementation. General Assembly resolution 62/208 on the triennial comprehensive policy review of operational activities for development of the United Nations system had set out a clear direction for those activities. Funds, programmes and specialized agencies should clearly define their division of labour and responsibilities and formulate specific workplans so that Member States could have a full picture of progress in implementation, identify gaps and obstacles promptly and provide policy guidance.

3. Second, increasing funding for the United Nations development system was an essential step towards enhancing the global partnership for development. Adequate, stable and predictable core resources continued to be the bedrock of United Nations operational activities for development. The decline in core funding noted by the Secretary-General in his report (A/63/201) had not only forced funds and programmes to devote most of their energy to competing for contributions for non-core resources and meeting the requirements of the donor countries, but might also jeopardize the multilateral, neutral and grant nature of United Nations assistance. Funds, programmes and specialized agencies should endeavour to correct the ratio of core resources to overall resources, and donors that were able to do so should implement in earnest the Monterrey Consensus and increase their contribution to core resources.

4. Third, national capacity-building should become a priority for United Nations operational activities for development. The United Nations should make greater use of indigenous experts and technologies in recipient countries, promote transfer of technology and investment, implement the national execution modality on a wider scale, and develop operable and sustainable programmes for capacity-building tailored to the countries in question.

5. Fourth, reform of the United Nations operational activities for development should be aimed at enhancing their integration and flexibility so as to meet the specific development needs of recipient countries. Ultimately, the effectiveness of the assistance delivered by the United Nations should be measured by the results achieved in helping developing countries implement their national development strategies. Reform should emphasize recipient countries' leading role and ownership of assistance projects. Resident coordinators should promote coordination and synergy on the part of the United Nations country team, consistent with the Four Ones approach.

6. South-South cooperation was an important component of China's external cooperation, and it planned to deepen and expand its cooperation with other developing countries in the future, as had been announced at the High-level Event on the Millennium Development Goals.

7. **Mr. Tarragô** (Brazil) observed that, as noted in the Secretary-General's report on trends in contributions to operational activities for development (A/63/201), most donors had failed to meet their commitments to increase official development assistance (ODA). It was to be hoped that the current financial crisis would not put further pressure on ODA flows, thus discouraging the efforts to reverse the downward trend of the last decade. The decline in multilateral aid and the rise in earmarking of funds for

specific initiatives affected the neutrality and impartiality of the aid channelled through the United Nations system and made United Nations operational activities a less predictable and secure source of funding for developing countries. It was frustrating to see that out of US$ 5.6 billion in United Nations development assistance, core resources accounted for only US$ 965 million. His delegation had noted the Secretary-General's efforts to sensitize donors to the need to increase ODA levels and had observed with interest that he was considering launching a good multilateral donorship initiative as a response to the outcomes of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus (Doha review conference) and the Accra High-Level Forum on Aid Effectiveness. His delegation would be willing to examine any proposal that the Secretary-General wished to submit in that regard.

8. With respect to the report on the implications of aligning the strategic planning cycles of United Nations funds and programmes (A/63/207), his delegation viewed with great interest the possibility of changing the comprehensive policy review from a three-year to a four-year cycle and saw merit in the arguments put forward by the Secretary-General regarding cost reduction and allowing time to conduct a better-informed review of the implementation of the United Nations funds and programmes. Brazil was open to considering the options presented in the report with a view to identifying those that best met the operational requirements of the programmes and funds concerned. In order to ensure the most effective implementation of the policy guidance imparted by the General Assembly, the secretariats of the agencies, funds and programmes concerned should be offered adequate time to prepare and discuss their strategic plans with Member States. Undertaking the comprehensive reviews on a quadrennial basis would have advantages in that regard.

9. South-South cooperation was one of the main features of Brazil's foreign policy. Brazilian technical cooperation had been predominantly geared towards the least developed countries and the landlocked developing countries, although it also cooperated with other middle-income countries. That cooperation was demand-driven and strictly observed the principle of ownership. Brazil favoured triangular cooperation as a means of optimizing its capacity to deliver assistance. Under that mode of cooperation, it had undertaken health and development projects in various countries in partnership with Argentina, Canada, Indonesia, Norway, South Africa, Spain and the United States of America. Brazil had also entered into cooperation arrangements with multilateral institutions such as the World Bank to support, for instance, distribution of school meals in Haiti, and with the International Labour Organization to promote rural development.

10. Important decisions should be taken during the current session on the mobilization of increased and predictable resources for operational activities, as well as on the alignment of the strategic planning cycles of United Nations funds and programmes. His delegation hoped that Member States would continue to support South-South Cooperation as an important complement to traditional flows of cooperation.

11. **Mr. Gharibi** (Iran) said that his delegation concurred with the position of the Group of 77 and China regarding the overarching importance of General Assembly resolution 62/208 and the need for its comprehensive, effective and faithful implementation. Iran firmly believed that the triennial reviews should determine the course of action for United Nations operational activities and that they should not be superseded or pre-empted by other processes.

12. The United Nations should have a stronger role in advancing the development agenda of the developing countries through full realization of all internationally agreed development goals, including the Millennium Development Goals. However, the principle of national ownership and leadership must be respected in practice in United Nations operational activities for development. The planning and implementation of the United Nations development agenda should remain apolitical and free from conditionality. Attempts to politicize operational activities by prioritizing certain cross-cutting issues would undermine the principles of neutrality and impartiality in the delivery of development assistance.

13. The decline in ODA noted in the Secretary-General's report (A/63/201) was cause for serious concern, particularly in the light of the current financial turmoil in the developed countries. His delegation looked forward to the upcoming Doha Review Conference and urged the donor community to take appropriate measures to close the gap between promises and performance. The decline in multilateral

aid, the growth in non-core funding and the rise in earmarking of funds were also disturbing trends.

14. His delegation supported any reforms aimed at enhancing the ability of the United Nations to meet the needs of recipient countries in an efficient and integrated manner. Certain mechanisms agreed in the triennial comprehensive policy review could respond to legitimate demands to make the United Nations system more coherent and effective. The review also provided policy guidance that could help overcome the current disparities in funding for development activities.

15. South-South cooperation was at the heart of his Government's economic and development activities at the regional and interregional levels. His delegation welcomed the adoption of the fourth cooperation framework for South-South cooperation and hoped that its implementation would lead to institutionalization of the three-in-one global structure envisioned in the framework.

16. Two important events relating to South-South cooperation would take place in 2009: the sixteenth session of the High-level Committee on South-South Cooperation and the United Nations Conference on South-South Cooperation to mark the thirtieth anniversary of the adoption of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries. Given the current global economic environment, that Conference should be used as an occasion for formulating the strategies needed to maintain and further strengthen the status of the South as a strong engine of global growth, together with practical guidelines for the role of the United Nations system in promoting and scaling up South-South cooperation. His delegation looked forward to launching discussions in the General Assembly on a resolution based on the recent report of the President of the High-Level Committee.

17. **Mr. García González** (El Salvador) said that it was impossible to separate the discussion of United Nations operational activities for development from the current global crisis affecting the financial, economic, energy, environmental and food sectors. The world was facing an unprecedented crisis of confidence, which had destabilized the global economy. The international community must therefore join forces to re-establish confidence. Doing so, however, did not mean returning to the past or trying to manage the economy of the twenty-first century with the economic instruments of the twentieth century. A profound renovation of the entire global financial and economic system was needed.

18. In that context, El Salvador reaffirmed the importance of the vision and commitments assumed by the General Assembly in resolution 62/208 with respect to enhancing the relevance, effectiveness, efficiency, accountability and credibility of the United Nations system through the provision of adequate and timely resources to enable it to carry out its mandates. The legitimacy of United Nations development activities derived from the national level. Each country had primary responsibility for its own economic and social development. Recognizing that, his Government had adopted various measures aimed at promoting policies, developing strategies, implementing plans and mobilizing financial resources at the national and international level for sustainable development.

19. Official development assistance was an important complement to other sources of development financing for countries with limited capacity to attract direct private investment and for middle-income countries. The Consensus of El Salvador on Development Cooperation with Middle-Income Countries, adopted in October 2007, had underscored the commitment of the international community to achieve the internationally agreed development goals, including the Millennium Development Goals. His delegation stressed the importance of continued support for middle-income countries in their fight against poverty and invited the international community to consider more effective ways of assisting such countries, including the implementation of innovative mechanisms for providing more targeted cooperation and enabling them to consolidate the development gains achieved thus far.

20. The Doha Review Conference would afford a valuable opportunity to demonstrate the political commitment of the international community to solve pressing development problems. El Salvador called on Member States not to miss that opportunity to work together to build a better world. His Government also underlined the urgent need to increase ODA and other development resources substantially. He commended those countries that had met or exceeded their ODA commitments and encouraged others to take concrete steps to allocate 0.7 per cent of gross national income to ODA.

21. **Mr. Wagle** (Nepal) emphasized the importance of continued and effective utilization of the wealth of United Nations expertise at the national and regional levels. General Assembly resolution 62/208 had provided constructive guidelines for result-oriented development cooperation. Development activities should be planned in accordance with national priorities and leadership. His delegation attached great importance to enhancing the capacity of the United Nations system to respond to national circumstances and country-specific needs. Equally important was the ready availability of reliable data to facilitate effective monitoring and reporting of resource requirements and results of operational activities for development. The United Nations system should continue to strengthen its capacity in that regard.

22. In the current context of financial turmoil, climate change challenges and the food crisis, there was a need to improve preparedness for and predictability of new development challenges and requirements, particularly in the least developed countries. Comprehensive development and sustainability were critical to achieving the Millennium Development Goals and other internationally agreed development goals. Concerted national and international efforts and effective support and follow-up by the United Nations system were needed to implement specific partnership programmes such as the Brussels Programme of Action or the Almaty Programme of Action in a timely fashion. In that connection, Nepal reiterated its commitment to South-South cooperation and partnerships.

23. It was a matter of concern that financial contributions were decreasing at a time when expectations for United Nations operational activities were rising. Adequate resources and sustained support from development partners were needed in order to implement development activities effectively. Without significantly augmenting both core and non-core funding and assuring the predictability of resources, Member States could not expect strengthened capacity in the United Nations system. It was to be hoped that the international community would take accelerated action to meet ODA commitments in the time leading up to the Doha Review Conference.

24. With a view to making development sustainable, participatory, inclusive and people-responsive, the Government of Nepal had created policies and programmes that emphasized public-private partnership, gender mainstreaming, rural cooperatives and community-managed development programmes. Nepal believed that development would lead to stability and to prosperity, justice and peace. Achieving development would require the engagement of all stakeholders, as well as greate, investment in development infrastructure, strengthened economic institutions, and a viable technological base. With predictable funding and sustained international partnership, the world's shared development ambitions could be achieved.

The meeting rose at 4 p.m.

United Nations A/C.2/63/SR.11

General Assembly
Sixty-third session

Official Records

Distr.: General
10 November 2008

Original: English

Second Committee

Summary record of the 11th meeting
Held at Headquarters, New York, on Thursday, 16 October 2008, at 10 a.m.

Chairperson: Ms. Ogwu ..... (Nigeria)
later: Mr. Hoppe (Vice-Chairperson) ..... (Germany)

Contents

Agenda item 48: Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the preparation of the 2008 Review Conference

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

08-55260 (E)

The meeting was called to order at 10.20 a.m.

Agenda item 48: Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the preparation of the 2008 Review Conference (A/62/921, A/63/80-E/2008/67, A/63/123, A/63/179 and A/63/345; A/C.2/63/2 and A/C.2/63/3)

1. **Mr. Trepelkov** (Chief, Multi-stakeholder Engagement and Outreach Branch, Financing for Development Office, Department of Economic and Social Affairs) introduced the report of the Secretary-General on the latest developments related to the review process on financing for development and the implementation of the Monterrey Consensus (A/63/179) and highlighted its salient points.

2. He then introduced the note by the Secretary-General on the proposed organization of work of the Follow-up International Conference on Financing for Development to review the Implementation of the Monterrey Consensus (A/63/345). He informed delegations that the calendar of special events would be made available at the Conference site and would also be posted on the official Conference website.

3. **Mr. Heidt** (United States of America) said that the Secretary-General's note contained considerable information on the logistics and protocol of the Conference, but little on its substance, particularly with regard to the round tables, which appeared to repeat the themes of the Monterrey Consensus. Since the event promised to assemble a large number of very senior officials, it would be desirable to propose more imaginative and relevant themes for the round tables, giving panellists the opportunity to discuss real solutions to real problems. For example, one panel could consider in detail the difficulties faced by small developing countries and island States when seeking financing and discuss possible solutions.

4. **Mr. Trepelkov** (Chief, Multi-stakeholder Engagement and Outreach Branch, Financing for Development Office, Department of Economic and Social Affairs) said that the Secretariat had been constrained by the content of General Assembly resolution 62/187, which decided that the conference would include plenary meetings and six interactive multi-stakeholder round tables on themes based on the six major thematic areas of the Monterrey Consensus. However, that did not preclude panellists being asked to focus on the most useful issues within those topics; moreover, the Secretary-General's note made it clear that they should look towards the future. It was the responsibility of the President of the General Assembly to prepare the round tables and the Secretariat was in the process of exploring the availability of high-level experts as panellists. Delegations would be advised of the composition of the round tables at a later stage.

5. **Mr. Blake** (Antigua and Barbuda) said that General Assembly resolution 62/187 had been adopted in a specific context, but the international economy was dynamic and recent weeks had seen a significant change in circumstances. Nevertheless, it was for the General Assembly to take action on the situation, and to make sure that the Conference examined current challenges so that the outcome would be really useful. The General Assembly should therefore ensure that the round tables were not merely discussion panels but took into account the critical global financial situation.

6. **Ms. Thorpe** (Australia), speaking on behalf of the Cairns Group, said that the Group would also welcome a creative approach to the Conference programme. In addition, it would be useful to have information on the high-level participants in the Conference.

7. **Mr. Sumi** (Japan) asked whether each delegation could register for as many round tables as it wished, and whether the meeting of the main committee mentioned in the Secretary-General's note (para. 14) would be necessary, since it was hoped to complete the Conference outcome document in New York prior to the event.

8. **Mr. Trepelkov** (Chief, Multi-stakeholder Engagement and Outreach Branch, Financing for Development Office, Department of Economic and Social Affairs) said that there would be no need to register for the round tables; delegations could attend as many as they wished. The main committee meeting had been included on the programme merely for planning purposes, and would only be required if the outcome document could not be completed before the Conference.

9. Regarding the composition of the delegations, the Secretariat would make the information available on the Conference website in a timely manner.

10. **Mr. Heidt** (United States of America) said that there was a link between the substance of the

Conference and the level of participation. An interesting and topical programme, announced ahead of time, was required in order to attract senior-level participants.

11. **The Chairperson** invited the Committee to engage in a general discussion on the item.

12. **Mr. Blake** (Antigua and Barbuda), speaking on behalf of the Group of 77 and China, said that the Doha Review Conference was a critical event taking place at a critical time. The international community should therefore ensure that participants approached it with the determination to take the international economy forward successfully, focusing in particular on the developing countries. It was also important that the decisions reached in Doha were properly followed up.

13. **Ms. Asmady** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that, while there was room for optimism about the long-term resilience of the global economy, the short-term prospects had dimmed significantly. The deterioration of financial markets, the worsening of financing and credit cycles and inflationary pressures due to high food and energy prices threatened to roll back past achievements. The crisis of confidence must be addressed and thought should be given to helping the global economic system adapt to the complex challenges of the day. There was also an urgent need to revive the Doha Round of trade negotiations as soon as possible, since its success would open up new markets, especially for developing countries. ASEAN believed that the best way to achieve sustained growth and development was through regional economic integration. As a 10-member bloc, it represented a market of 550 million people, with a combined gross regional product and total trade of $1 trillion. ASEAN would continue to integrate and liberalize its economies with a view to attracting investment, particularly in the areas of energy, finance, property and agriculture.

14. The Doha Review Conference would provide a timely opportunity to examine critical issues in international economic development and cooperation. The outcome should reflect progress made, lessons learned, obstacles identified and constraints encountered in implementing the Monterrey Consensus. It should also contain initiatives on ways of meeting financing needs to overcome new global challenges, such as the food, fuel and financial crises and climate change, and re-energize efforts to address systemic issues and the reform of the global financial architecture. Improved regulations and supervision and fuller participation by developing countries were required.

15. **Mr. Muburi Muita** (Kenya), speaking on behalf of the African Group, said that, since the United Nations International Conference on Financing for Development (the Monterrey Conference), most African countries had markedly improved their governance and their macroeconomic and fiscal management. External debt indicators had improved and there had been an increase in the flow of private resources, economic and financial reform and greater economic stability. The countries most in need of capital, however, had often been bypassed by investors because of structural challenges requiring international action. The Doha Review Conference should focus on Africa's needs by supporting the implementation of the recommendations of the MDG Africa Steering Group, the political declaration on Africa's development needs and the programmes and projects under the New Partnership for Africa's Development (NEPAD).

16. Agriculture and primary commodities remained the backbone of Africa's exports. The stalling of the trade negotiations of the Doha Round was therefore hurting Africa's exports, by denying African countries the opportunity to benefit from a multilateral rule-based regime and thus the capacity to meet development challenges through trade. All countries, particularly the developed countries, should demonstrate the necessary flexibility and political will to move the negotiations back on track.

17. The Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI) had benefited in a number of countries on the African continent. The improvement in the debt situation was, however, driven partly by the performance of a few countries, so that debt ratios were due partly to favourable external conditions. The current financial crisis in the developed world therefore had the potential to reverse the current trend and wipe out any gains made. Moreover, many low-income and other African countries with unsustainable debt burdens still did not benefit from any of the debt initiatives. In some cases, that was due to failure fully to implement reform programmes sponsored by the International Monetary Fund (IMF), but a number of

decisions on qualification for relief had unfortunately been based on political considerations rather than the development needs of the countries concerned. A comprehensive solution to Africa's debt burden would require the mobilization of additional resources to cover the cost of debt relief for countries with protracted arrears of debt to multilateral financial institutions.

18. Rapidly rising demand for commodities had led to price increases in recent years. More than half the commodity trade of developing countries was South-South trade and African countries also represented a fair share of the growth in world commodity demand. Such developments, and new trends such as biofuel production and the growing variety of specialty products and uses, had opened up new opportunities for African countries. The Review Conference should support aid for trade for the purpose of further diversification.

19. According to some reports, total official development assistance (ODA) had grown in real terms over the past decade. A significant part of that increase reflected debt relief, which contributed significantly to countries' financial resources. There was, however, a concern that total ODA had declined in real terms in 2006. The pledges made in 2005 to double aid to Africa by 2010 had not yet been translated into increased donor resources for programmes on the ground. It was to be hoped that action to salvage the world's financial markets would not dampen the prospects of increasing assistance or meeting commitments already made to Africa.

20. With regard to climate change, financing should be found for both adaptation and mitigation. New financing modalities should be evolved to stabilize greenhouse gas concentrations at a level that would prevent a catastrophic impact. Developing countries, especially in Africa, the least developed countries and small island developing States were particularly vulnerable in that respect. The issue of financing would undoubtedly arise at the Review Conference, but it should not be used as a reason to reduce the quantity or quality of resources for other development activities.

21. **Ms. Jahan** (Bangladesh), speaking on behalf of the least developed countries, said that the Monterrey Conference had resulted in specific pledges to provide development assistance; the developed countries had undertaken to set aside 0.7 per cent of their gross national income for developing countries and 0.15 to 0.2 per cent for the least developed countries, provide them with free market access, find a durable solution to the debt problems of developing countries, provide technology and technical support and reform the international financial architecture. Little progress had been made in any direction.

22. The Doha Review Conference was taking place at a critical juncture. Sustained economic growth, poverty alleviation and sustainable development in developing countries were at risk from the crisis in the world's financial markets, the collapse of the World Trade Organization (WTO) negotiations and the rapid pace of climate change. The international community must agree on an ambitious action plan for the full implementation of the Monterrey Consensus and provide additional resources to deal with new and emerging issues. The least developed countries were the most vulnerable, mainly owing to their structural weaknesses. Financing for development was thus critically important for them. A well-crafted outcome of the Review Conference must focus on the special needs of the least developed countries. Their participation in the Conference was also of great importance and should be supported through the Trust Fund for the Follow-up to the International Conference on Financing for Development, as provided for in General Assembly resolution 62/187.

23. **Mr. Labbé** (Chile), speaking on behalf of the Rio Group, said that, in addition to emerging issues, the elements contained in the Monterrey Consensus should also feature in the outcome of the Review Conference. The Conference should assess progress made, reaffirm goals and commitments, share best practices and lessons learned, identify obstacles and constraints encountered and introduce action to overcome them.

24. There were two issues of vital importance that should be reflected in the outcome of the Conference. The first was the follow-up mechanism to be adopted. Biennial high-level dialogues and the meeting of the Economic and Social Council with the Bretton Woods institutions, the WTO and the United Nations Conference on Trade and Development (UNCTAD) had not achieved the expected results. A formula should be found to improve the existing mechanism, whereby commitments made in Monterrey and in Doha could be properly followed up. The Rio Group's formula, which advocated the creation of a forum that would follow up the Doha Review Conference,

replacing the high-level dialogues and the spring sessions of the Economic and Social Council. The forum would comprise a number of members of the Economic and Social Council and representatives of the main international organizations, regional development banks, civil society and the private sector. It would review progress in the implementation of commitments and identify obstacles and emerging issues, focusing its discussions on proposals for recommendations that would then form the basis of General Assembly resolutions. It would meet at least once a year, prior to the spring meetings of the Bretton Woods institutions. Its principal outcome would be a summary similar to the one that emerged from the existing mechanisms, with emphasis on recommendations and actions. The summary would be considered within the framework of the General Assembly's discussions and transmitted to the Development Cooperation Forum of the Economic and Social Council for consideration.

25. Another issue of vital importance to the Group was the situation of middle-income countries, which were home to over 40 per cent of the world's poor. Countries in that category had special development financing needs. The international community's support was crucial, especially during times of crisis. The international community must endorse the main conclusions of the three intergovernmental conferences on middle-income countries, held in Madrid, San Salvador and Windhoek. The emphasis placed by the Rio Group on middle-income countries should not, however, imply any disregard for the needs of other categories of country.

26. **Mr. Briz Gutiérrez** (Guatemala) said that, paradoxically, the crisis afflicting the financial systems of the world's principal economies had much in common with the difficulties formerly faced by the developing countries, which had been reprimanded by the industrialized countries and the multilateral financial institutions for defective microeconomic management or inadequate banking oversight. As it turned out, many developing economies would thus be better prepared to deal with the global crisis than the countries in which the crisis had originated. Nonetheless, given that all countries benefited from economic expansion and would suffer from recession, "no country could contemplate the oncoming" perfect storm without considerable apprehension. It was therefore encouraging that the main industrialized economies had managed to work out a joint response to the crisis, which his delegation was confident would at least contribute to mitigating the effects both on financial systems and on the real economies of the countries involved.

27. The crisis would have an extremely significant impact on financing for development. Policymakers had been distracted by the need to deal with the crisis, so that development might become less of a priority. Moreover, bailing out the international financial system would require massive public expenditure, at least at the outset, which would have an adverse effect on the resources available for development. Thirdly, there would be less room for political manoeuvre, since financing for development was easier to obtain in an expanding global economy than in a contracting or recessive economy. Lastly, reform of the international financial institutions was clearly more necessary than ever. Meanwhile, it was to be hoped that IMF would seek to mitigate the effects of the crisis on middle-income countries, such as his own, which had not resorted to it for help for many years but might need to do so in the coming months.

28. All the issues mentioned could be reflected in the outcome of the Doha Review Conference. Many aspects of the Monterrey Consensus remained relevant, including its provision for a real pact between partners for development. The pact was only halfway to completion and faced obstacles even more pressing than had been the case in 2002.

29. However, the Review Conference gave the international community an opportunity to find answers to its questions on the state of the international financial system. As the developing countries of the Second Committee had always maintained, the General Assembly could put a human face on globalization and the international financial system. Delegations should be as flexible as possible in negotiations on the outcome of the Review Conference, which should be a blueprint for the future. He was confident that that could be achieved.

30. *Mr. Hoppe (Germany), Vice-Chairperson, took the Chair.*

31. **Ms. Tang** Mengxiao (China) said that a shortage of financial resources had long been a serious impediment to the economic and social development of the developing countries. The global partnership for development advocated by the Monterrey Consensus

had become a guiding principle in the international community's efforts to eradicate poverty and promote development cooperation. Although some progress had been made in implementation, there was still not yet a favourable external environment for the development of developing countries. Indeed, a host of new challenges had emerged, including the financial, energy, food security and climate change crises.

32. The task of obtaining the necessary domestic and foreign funding was becoming ever more daunting. The total volume of ODA had declined, the debt burden of some developing countries remained onerous, the WTO trade negotiations had broken down again and the international financial system was beset with serious problems. The international community must therefore not miss the opportunity presented by the Doha Review Conference to make substantive progress in mobilizing development resources. All parties should intensify their efforts to implement the Monterrey Consensus, advance the global development partnership and deliver on the international cooperation that had been pledged. The developed countries should adopt a realistic timetable for the achievement of their target of allocating 0.7 per cent of their gross national income for ODA, increase technical assistance to developing countries, particularly the least developed countries, provide debt relief, expand market access, promote direct investment and cooperate with the developing countries in addressing global challenges.

33. Under the current circumstances, the international community should further promote reform in the international financial and trade systems and work to achieve coherence in development, trade and financial policies. Governments should enhance coordination of macroeconomic policy, jointly assume responsibility to fend off financial risk and maintain stability in the world economy.

34. **Mr. Al-Enazi** (Qatar) said that, although it was generally recognized that development was both a desirable end in itself and a crucial factor for global peace and security, the North-South divide continued to widen. Hunger and disease remained widespread, and half of the world's population lived on less than one dollar a day. Even as they made great efforts to fulfil their commitments under the Monterrey Consensus, many developing States still found that foreign direct investment (FDI) was distributed unevenly. Innovative new funding mechanisms, while commendable, should be a supplement rather than a substitute for the agreed ODA percentages. At the Monterrey Conference, Governments and the international financial institutions had shown genuine political will at the highest levels to establish a unique international partnership on development financing. As the host of the upcoming Doha Review Conference, his country hoped that a successful final outcome would be reached there.

35. **Ms. Blum** (Colombia) said that the upcoming Doha Review Conference marked the beginning of a new phase in the intergovernmental process begun in Monterrey. The Conference would take place at a critical moment for proposing multilateral actions aimed at sustaining and increasing financing for development. The current global climate called for an ambitious outcome. The length of the outcome document was, therefore, irrelevant; what mattered was that it broadened the scope of the Monterrey Consensus, did more than simply reaffirm the commitments made in 2002 and responded with concrete measures to the considerable challenges facing developing countries. In that regard, she welcomed the efforts made thus far to draft the document that would serve as a basis for negotiations at the Conference. The inputs provided by the informal review sessions on each of the six thematic areas of the Monterrey Consensus and the interactive hearings with civil society and business sector representatives must be put to good use in that regard. The substantive contribution made during the first half of the year must not be diluted by purely political considerations.

36. In her delegation's view, the outcome document of the Doha Review Conference must address issues relating to the current economic climate, such as regulation of financial and capital markets and mechanisms for providing emergency liquidity in times of crisis and preventing an excessive accumulation of risks; must reaffirm the international community's commitment to promoting additional measures to address illicit capital flows, in particular money-laundering and capital flows for financing terrorism; must incorporate the progress made in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action; must stress the continued importance of ODA to middle-income countries; and must address South-South cooperation, an increasingly important source of international technical and financial assistance.

37. Lastly, her delegation attached great importance to the establishment of a strengthened follow-up mechanism to the Monterrey and Doha Conferences. For international action on financing for development to be effective, the international community must work together and conduct a substantive and self-critical periodic review of the implementation of shared responsibilities. Only with better institutional arrangements would the international community be able to increase the impact of its work.

38. **Ms. Midaoui** (Morocco) said that rising food and fuel prices had generated a serious crisis in many net food- and energy-importing developing countries, thereby jeopardizing their efforts to attain the Millennium Development Goals. The situation had been exacerbated by the international financial crisis. Recent events demonstrated the need for a more predictable and transparent international financial system and better international financial governance. Such a climate required all countries to create a national environment conducive to financing for development.

39. While developing countries had, on average, seen an increase in gross domestic product (GDP) in recent years, the situation differed from region to region. Specific strategies were needed to reduce poverty and the major human development deficits in Africa, the only continent not on track to meet the Millennium Development Goals. In that connection, her Government welcomed the results achieved and the projects undertaken with other African countries thus far, and reiterated its commitment to taking a participatory approach and promoting the achievement of the Goals. Indeed, Morocco had hosted a number of events in recent years, most importantly the first African Conference on Human Development in 2007.

40. The Monterrey Consensus, the Johannesburg Plan of Implementation and the 2005 World Summit Outcome all underscored the essential role of FDI. Such a perspective was, however, compromised by debt, which placed a strain on developing countries' budgets and undermined their development efforts.

41. The objectives set out in the Monterrey Consensus concerning the multilateral trading system had still not been fully met and were unlikely to be, given the current global economic slowdown. As noted in the Secretary-General's report (A/63/179, para. 24), trade growth had fallen from 8.5 per cent in 2006 to 5.5 per cent in 2007 and was projected to fall to 4.5 per cent in 2008. International trade would thus be unable to meet developing countries' expectations, particularly in view of the Doha Round's recent collapse. WTO members had a moral responsibility to ensure that multilateral trade negotiations were concluded successfully by the end of 2008.

42. She noted with concern that, despite the ambitious targets set by most bilateral donors, ODA had been on the decline since 2005. Indeed, there was a considerable gap between the amount of ODA provided and the amount needed to implement measures aimed at attaining the Millennium Development Goals. In addition, the global partnership for development faced new challenges relating to climate change adaptation and mitigation.

43. Participants in the Doha Review Conference must adopt a precise timetable for implementing recommendations aimed at improving global economic, financial and monetary governance structures, strengthening the follow-up mechanisms to the Monterrey and Doha Conferences and consolidating the role of the United Nations in that regard.

44. **Mr. Sumi** (Japan) said that his Government attached great importance to financing for development and, therefore, to the upcoming Doha Review Conference. His delegation had complete confidence in the leadership of the co-facilitators of the preparatory process for the Conference and was participating actively and constructively in ongoing negotiations on the draft outcome document. In particular, he believed that the co-facilitators would ensure that the draft outcome document maintained a ministerial tone and was balanced, brief and precise.

45. While financial resources from the international community were a major building block in the development process, there should also be a strong sense of national ownership. Resources should be used to improve human security in developing countries, empower individuals and communities, and ensure inclusive economic growth. Nation-building was people-building. The Monterrey Consensus placed emphasis on involving all relevant stakeholders. Synergies between public and private funding could lead to job creation, technology transfer and trade-and-investment-driven growth, which could not be achieved by ODA alone. Public funding played a catalytic role in mitigating risks and encouraging private sector

investment, particularly in the area of infrastructure development.

46. Development partners should work together to promote good governance and sound macroeconomic policy and to create a business-friendly environment. By the same token, development partners and investors should comply with relevant international norms and act responsibly.

47. In the new international aid architecture, non-traditional donors contributed roughly one fourth of global aid flows and South-South investment flows constituted 25 per cent of all FDI inflows to developing countries. Assistance should be provided in line with the Paris Declaration on Aid Effectiveness, FDI should be made in a socially responsible manner, and creditors should respect international frameworks and give due consideration to debt sustainability through responsible lending.

48. There was a risk that the recent deterioration of financial markets would seriously damage developing country economies. The contraction in global credit would be detrimental to private sector investment. Spending on education and health and investment in infrastructure would decline, and it would become harder to mobilize the resources needed to develop social safety nets for the poor. Addressing global financial crises and helping member countries cope with such crises were the raison d'être of IMF, which should be responsible for providing financial assistance. If additional resources were required, his Government stood ready to supplement needed funds. The World Bank, meanwhile, should actively and creatively consider all possible options, without being constrained by existing frameworks, in order to minimize the adverse effects of the crisis on developing countries.

49. Since the international financial situation was changing daily, it would be inadvisable for the review process on financing for development to focus solely on the urgent short-term agenda. Moreover, if language addressing the current financial crisis was to be added to the draft outcome document for the Doha Review Conference, it should be added later in the negotiations, so that account could be taken of latest developments.

50. **Mr. Benfreha** (Algeria) said that, in view of the current global slowdown and the international financial, food and energy crises, the international community must redouble its efforts to revive the spirit of Monterrey. The current crises demonstrated the global economic system's impact on efforts to mobilize external and domestic resources. He feared that the current climate might cause progress made thus far to be reversed.

51. The United Nations must make every effort to create an environment conducive to sustainable development through adequate domestic and external financing. Implementation of the Monterrey Consensus was mixed. Many developing countries had honoured their commitments and were making progress towards good governance; development partners, however, had reneged on many of their promises. Implementation was particularly poor where the stability of international private capital flows was concerned. The macroeconomic policies of many developing countries, while successful in mobilizing financial resources for development, were insufficient to mitigate the impact of volatile capital flows, particularly in the current climate. Development challenges would not be met unless the international community helped countries achieve the internationally agreed development goals, including the Millennium Development Goals, and created a global environment conducive to growth. Developing countries' needs were not currently being met.

52. The quantity and quality of financing for development were closely linked to the international financial and economic environment. The Doha Review Conference must build on progress made thus far and help countries move forward on development resource mobilization. Despite the various debt relief initiatives undertaken thus far, heavily indebted countries were still unable to achieve debt sustainability and obtain the financing needed to attain the Millennium Development Goals. In addition, ODA was on the decline and development partners were falling short of the 0.7 per cent target. He feared that the current financial crisis would cause the situation to deteriorate even further.

53. A successful conclusion of the Doha Round was essential if international trade was to become an engine for development. Developing countries needed time to develop their production capacity, so as to benefit from the possibilities that global market access offered and reduce the cost of trade reform-related adjustments; such factors should be taken into account during WTO accession negotiations. His Government was following

with interest the ongoing consultations on reforming the Bretton Woods institutions. Such reform must result in greater developing country participation in decision-making and norm-setting.

54. The outcome of the Doha Review Conference must define reliable and permanent mechanisms for implementing the decisions taken at the Conference and place the United Nations at the centre of the follow-up process. In that regard, the intergovernmental follow-up mechanisms to the Monterrey and Doha Conferences should be strengthened and the partnership between the United Nations and financing for development stakeholders enhanced.

55. **Ms. Zemene** (Ethiopia) said that the timely implementation of the Monterrey Consensus was essential to attaining the internationally agreed development goals, including the Millennium Development Goals. While many developing countries had improved the way in which they planned and used domestic resources and while development partners had worked hard to meet their commitments and ensure the quality of aid, the pace at which goals were being met left much to be desired. The degree of ownership, alignment and harmonization of partnerships was thus far inadequate. Declining ODA flows and sustainability, meanwhile, were a matter of serious concern, particularly in the current economic climate. National ownership required collaborative participation frameworks at all levels, meaningful developing country participation in the development financing framework, and clear policies and strategies to address challenges. Developing countries should be able to choose their own development path, while receiving support from their development partners.

56. For low-income countries to benefit from trade, duty- and quota-free market access should be realized fully, the Doha Round concluded successfully and Aid for Trade increased. Such initiatives would help low-income countries address supply-side constraints. Efforts to minimize trade-distorting measures must also continue. At the same time, developing countries should strive to create an environment conducive to FDI by investing in human resource development and promoting people-centred policies. That said, the flow of FDI into critical infrastructure must be scaled up considerably.

57. As a strong supporter of national ownership and global partnership, Ethiopia was shaping its national development goals, expanding its financial resources, broadening the tax base, diversifying exports and nurturing an accountable system of governance. As part of its efforts to attract large-scale FDI and technology transfer, it was also investing in human resource development and infrastructure and creating an enabling policy environment.

58. Many African countries would be affected by the recent fall in the price of primary export products. Ethiopia was already feeling the strain of having to redirect resources away from areas key to growth and development towards food and fuel subsidies. As a result, Ethiopia's recent growth was expected to be reversed and its efforts to attain the Millennium Development Goals hindered further. She hoped that the Committee would pay particular attention to the challenges faced by countries with special economic needs and that the upcoming Doha Review Conference would produce timely and responsive initiatives that could play a key role in addressing current development challenges.

The meeting rose at 12.35 p.m.

United Nations A/C.2/63/SR.12

General Assembly
Sixty-third session

Official Records

Distr.: General
1 December 2008

Original: English

Second Committee

Summary record of the 12th meeting
Held at Headquarters, New York, on Thursday, 16 October 2008, at 3 p.m.

Chairperson: Mr. Hoppe (Vice-Chairperson) ..... (Germany)

Contents

Agenda item 48: Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the preparation of the 2008 Review Conference (*continued*)

Briefing by the Special Representative of the International Monetary Fund to the United Nations and the Assistant Secretary-General for Economic Development

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

08-55266 (E)

In the absence of Ms. Ogwu (Nigeria), Mr. Hoppe (Germany), Vice-Chairperson, took the Chair.

The meeting was called to order at 3.10 p.m.

Agenda item 48: Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the preparation of the 2008 Review Conference (*continued*) (A/62/921, A/63/80-E/2008/67, A/63/123, A/63/179, A/63/345; A/C.2/63/2 and A/C.2/63/3)

Briefing by the Special Representative of the International Monetary Fund to the United Nations and the Assistant Secretary-General for Economic Development

1. **Mr. Harris** (Special Representative of the International Monetary Fund (IMF) to the United Nations) said that the implications of the financial crisis for the global economy had been a major focus during almost all of the official discussions held in the context of the 2008 Annual Meetings of the Bretton Woods institutions. The present crisis had originated in mature markets and reflected deep-seated weaknesses in risk management and in the regulation of financial institutions. However, there was broad agreement on the key internationally coordinated policies needed to restore confidence and financial stability, as set out in the five-point plan of action of the Group of Seven (G-7).

2. For its part, the International Monetary and Financial Committee had endorsed the G-7 plan of action, had called for prompt implementation of the recommendations of the Financial Stability Forum and had underscored the Fund's lead role in fostering the required multilateral cooperation, drawing the necessary policy lessons from the crisis and recommending effective action. It had also emphasized the importance of enhancing the Fund's surveillance activities and developing effective early warning systems that clearly identified emerging risks.

3. All the discussions held had noted the possible adverse effects of the financial crisis on developing countries through the reversal of private capital flows, increased funding costs and shifts in investment priorities. The financial crisis might also make it more difficult to mobilize aid for developing countries at a time when higher food and fuel prices had already caused setbacks in their achievement of the Millennium Development Goals.

4. The Development Committee and the Group of Twenty-Four in particular had therefore called for donors to provide timely and predictable official development assistance (ODA), for enhanced aid effectiveness through the full implementation of the Accra Agenda for Action and for the provision of additional resources to meet the global challenge of climate change. The Group of Twenty-Four had also called for the international community to reaffirm its obligations under the Monterrey Consensus and to provide a range of further commitments to address not only the financial crisis but also the food, fuel and climate crises. In that context, the various meetings had highlighted the importance of a successful Doha Round and of providing effective aid for trade to developing countries.

5. During the various discussions there had been full agreement that the climate change agenda should be advanced through the United Nations Framework Convention on Climate Change. The Development Committee and the Group of Twenty-Four had called on the World Bank to step up its activities in that regard and therefore welcomed the adoption of its strategic framework and the establishment of its climate investment funds.

6. There had also been a clear awareness of the ongoing adverse impact of the high price of food and fuel on developing countries, leading to calls for adequate safety nets, targeted transfer programmes and additional resources to help them deal with the short- and medium-term consequences of the crisis.

7. Finally, there had been a great deal of discussion regarding reform of the Bretton Woods institutions. The International Monetary and Financial Committee had welcomed the IMF Resolution on Quota and Voice Reform as an important first step towards the realignment of quotas and voting shares and looked forward to further work on the new quota formula. It had also welcomed the ongoing assessment of IMF governance, including through a new committee of eminent persons. In addition, the Development Committee considered the package of reforms for enhancing the voice and participation of all developing countries and countries with economies in transition to be an important first step in the ongoing process of comprehensive reform. The Group of Twenty-Four (G-24) had observed that the current crisis underscored the need to reinvigorate the multilateral system and to

reflect the realities of the global economy in the economic governance of international institutions.

8. **Mr. Jomo** (Assistant Secretary-General for Economic Development) said that there had been general agreement at the recent ministerial-level meetings of the Group of Twenty-Four, the International Monetary and Financial Committee and the Development Committee that the initial impact of the current crisis had largely been felt by the financial markets rather than by developing countries. However, developing countries and countries with economies in transition were not expected to escape the crisis in the longer term.

9. The ministerial-level meetings had paid a great deal of attention to the energy and food crises, which the World Bank estimated had driven an additional 100 million people into poverty and an additional 40 million people into malnutrition around the globe. Concern had therefore been expressed that the crisis would affect the achievement of the Millennium Development Goals and there was also an increased awareness that global solidarity would be important in order to restore confidence to the financial markets.

10. The package of measures presented by the European Union to tackle the immediate effects of the crisis appeared to have restored some confidence. However, the longer-term effects of those measures remained to be seen. For its part, the World Bank had responded to the crisis by introducing its Energy for the Poor initiative, while IMF had proposed a new liquidity instrument. Nevertheless, there were concerns that the lending limits of that instrument were modest and that its attached conditionalities were rather onerous.

11. With regard to the systemic impact of the crisis, ministers had been almost unanimous in their calls for the role of the Bretton Woods institutions to be reviewed. Some ministers had seen the current World Bank reform package as an important first step, while others considered that it did not go far enough.

12. The issue of financing for development had featured prominently in the meetings of the G-24 and the Development Committee. The former had supported specific proposals for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, while the latter had highlighted the role of that Review Conference in deepening the global partnership for development.

13. Ministers had also recognized the magnitude of the climate change problem and had expressed their concerns about how to finance mitigation and adaptation efforts in the light of the current global financial crisis. The strategic framework proposed by the World Bank to deal with climate change had received mixed reviews, particularly from developing countries, amid concerns that it was not compatible with the United Nations Framework Convention on Climate Change.

14. **Mr. Blake** (Antigua and Barbuda) asked what strategy had been put in place to address the impact of the financial crisis on developing countries and specifically what role the Doha Review Conference was expected to play to address the crisis and to prevent further such crises in the future. In particular, he questioned how serious the calls actually were for developed countries to provide developing countries with increased ODA and additional resources.

15. **Mr. Khan** (Pakistan) asked how much importance the ministers had placed on the financing for development process in the context of the forthcoming Doha Review Conference.

16. **Mr. Patriota** (Brazil) asked why the meetings had divided their respective discussions into the technical and regulatory aspects of the financial crisis, on the one hand, and the broader political aspects of reform of the financial system, on the other. He questioned the implications of such a division and also wondered what role more inclusive bodies such as the United Nations could play in the efforts to address the financial crisis.

17. **Mr. Harris** (Special Representative of the International Monetary Fund (IMF) to the United Nations) said that the Doha Review Conference had been seen by the ministers as an opportunity to forge a deeper global partnership for development, especially given the acute sense that the financial crisis could derail financing for development initiatives. While the ministers had recognized that developing countries and countries with economies in transition would not escape unscathed from the crisis, they had not made any concrete suggestions on how those countries might anticipate or prevent such problems in the future. However, IMF had put in place emergency procedures

to mobilize a concerted response to the particular difficulties experienced by developing countries.

18. Any significant discussion by Governments on how to protect their commitments to financing for development had inevitably been overshadowed by the immediate need to address the financial crisis. He therefore hoped that it would be possible for them to hold more informative discussions on that particular issue at least by the time of the Doha Review Conference.

19. The framework for the discussions had also been dictated by the immediate need to find an answer to the crisis and to provide some stability. At the same time, all of the major discussions had noted the importance of addressing the longer-term structural issue of reforming the international financial system, including the Bretton Woods institutions, and there was already a sense that such reform should be of a more inclusive nature.

20. **Mr. Jomo** (Assistant Secretary-General for Economic Development) said that perceptions of the forthcoming Review Conference at the ministerial-level meetings reflected the lack of coherence in multilateralism, demonstrating that foreign and finance ministries were not communicating sufficiently with each other.

21. In considering the various proposals for the reform of existing multilateral institutions, it was important to distinguish between inclusive multilateralism, represented by bodies such as the United Nations and, to a lesser extent, the Bretton Woods institutions, and exclusive multilateralism. Small countries, in both the developing world and Europe, felt estranged from processes that excluded them, as was clear from their comments about G-7 and even G-20 proposals. Many proposals made by the Bretton Woods institutions, such as the carbon taxation advocated by IMF, had not been well received by the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development (G-24). Larger developing countries had also expressed frustration at the World Bank Group President's proposal to create a new steering group of 14 countries rather than strengthen the G-20.

22. Dealing with the crisis was not only a matter of regulatory reform. There was also an urgent need to ensure that sufficient liquidity was available at the global level; to implement and finance counter-cyclical policies aimed at offsetting the likely downturn; and to provide the means to combat its negative social consequences, including unemployment. Since such measures, though distinct from the immediate reforms needed, were not unrelated to them, it might be more useful to distinguish between short-term actions and more medium-term measures, including those related to governance.

23. Some progress had already been made on IMF governance reform, entailing a small redistribution of voting shares from developed to developing countries. Many developing countries, however, particularly smaller and poorer States, were frustrated by the modest scale of the increase in the basic vote component of the voting structure. Many countries, particularly developing ones, had argued that the governance arrangements of IMF should reflect its status as a cooperative institution. Proposals for the reform of the World Bank, including the addition of a chair for sub-Saharan Africa and a small shift in the voting structure in favour of developing countries, were also deemed very modest. Other development banks had different governance arrangements; at the Inter-American Development Bank, for example, 50 per cent of voting rights were held by creditors and 50 per cent by debtors. The possibilities for a multilateral development bank to be organized differently from the World Bank were of particular interest to developing countries.

24. **Mr. González Segura** (Mexico) said that his delegation welcomed the proposal of the President of the General Assembly to organize a round table on the financial crisis. He would like to know what role the United Nations could play in coordinating all the various initiatives due to take place in coming months, including those organized by the G-8 and the G-20, as well as the Doha Review Conference and other meetings, and how it could participate constructively in restructuring the international financial system to help overcome the lack of coherence in multilateralism mentioned by the Assistant Secretary-General for Economic Development.

25. **Mr. Lolo** (Nigeria), referring to the Development Committee's comments on the need to forge a deepened global partnership at the forthcoming Doha Review Conference, said that his delegation would like to know what concrete measures should be taken to achieve that goal, since a global partnership was required to meet specific needs rather than being

merely a philosophy or aspiration. Given the magnitude of the current crisis, he also wondered about the adequacy and effect of the World Bank Energy for the Poor initiative and the IMF liquidity facility.

26. **Mr. Murakami** (Japan) said that, having experienced a crisis similar to the current one in the early 1990s, his country was ready to share with the rest of the international community the lessons that it had learned, including the importance of speedy action and resolute measures to support failing financial institutions, an approach that had in recent days been endorsed by the G-7 and the International Monetary and Financial Committee. His country was also ready to provide IMF with additional resources, in particular to finance the emergency loans that might be required to prevent the financial crisis from spilling over to emerging and developing economies. He would like to know how the two speakers saw that threat and also how IMF saw its role in mobilizing the financial resources — perhaps in the form of foreign reserves — that would be needed to stave off such a chain reaction. Secondly, although international governance reform was an important issue, the main focus at the current time should be on preventing contagion from the financial crisis.

27. **Mr. Alim** (Bangladesh) said that the recommendations of the G-7 plan of action were remedial and did not address the root causes of the problem. A prolongation of the crisis would adversely affect developing countries, particularly the least developed countries and other small and vulnerable economies, while imperfect policy recommendations and implementation would also have a negative impact. Such issues had not been adequately discussed recently. Secondly, while his delegation had constantly reiterated its commitment to multilateralism and believed that it provided the optimum solution to problems, there was a growing tendency to move away from a multilateral approach. The United Nations, and especially the Economic and Social Council, should play a proactive role in promoting debate on that issue. Thirdly, he would like to ask the IMF representative how the current financial situation could be best defined.

28. **Mrs. Houngbedji** (Benin) said that ordinary people in Benin were asking why IMF and the World Bank had remained silent as the crisis developed and whether they had failed to anticipate the situation. They also wanted to know how such huge sums had been found to address the financial crisis in developed countries, when not even the minimum amounts of ODA required by countries such as Benin had been made available; such issues should be considered in the Committee's debates and at the Doha Review Conference.

29. **Mr. Jomo** (Assistant Secretary-General for Economic Development), responding to the point raised by the representative of Benin, said that while an additional 16 billion dollars had been committed for development purposes at the end of the High-level Event on the Millennium Development Goals, the public funding made available by the world's richest economies to deal with the financial crisis exceeded 5 trillion dollars, showing what could be achieved where the political will existed.

30. With regard to the role of the United Nations, he noted that the idea of an inclusive multilateralism had been fundamental to the creation of the Bretton Woods institutions. However, whereas the expansion of trade over the past 15 years had been underpinned by a rule-based multilateral system, associated with the World Trade Organization (WTO), no such multilateral system existed in the area of international finance, since IMF did not make rules. The international economic integration of the past few decades had therefore taken place without any commensurate global institutions, rules or regulations to check the system. That represented a major challenge for the United Nations.

31. Several United Nations reports had drawn attention to the vulnerabilities of the sub-prime mortgage market and other system weaknesses, as well as highlighting the dangers posed by carry trades, well before the emergence of the current situation. Despite such warnings, appropriate action to avert the crisis had not been taken, owing to a lack of political will and the absence of the required framework. The United Nations therefore now had a role to play in providing leadership to foster the creation of a genuine international financial architecture. Whereas the draft outcome document of the Review Conference suggested that a conference for the review of the financial system should be held under the auspices of IMF, there was now general recognition that it was not entirely appropriate for that organization to lead the process.

32. In response to the question raised by the representative of Brazil, the differences in perspective between Europe and the United States of America had broken down as a result of the crisis and the whole world was for the first time in agreement regarding the need for systemic reform. The international community therefore stood at a very important juncture in world financial history, since it was in a position to achieve changes that would be of great importance for both current and future generations.

33. **Mr. Harris** (Special Representative of the International Monetary Fund (IMF) to the United Nations), responding to the question about the adequacy of the provisions put in place by IMF and the World Bank to address the crisis, said that IMF should have sufficient resources, at least in the first round of the crisis, to provide immediate help through emergency procedures or the augmentation of existing facilities, without heavy conditionality, to any countries that approached it for financial assistance. However, in the event of an extended spillover of the crisis into developing countries, the international community would probably have to respond by contributing reserves for financing, as already outlined by the Government of Japan in its very welcome proposal.

34. With regard to the question raised by the representative of Bangladesh, the current financial situation could certainly be described as a crisis. As for the economic situation, some countries were already in recession and others were on the brink of recession. While it was a moot point whether a global recession could be avoided, the economy was certainly in a dangerous situation and coordinated action was needed to avoid a deeper downturn.

35. On the question of the distinction between immediate responses and longer-term measures, it was vital to prevent the crisis from spreading to emerging and developing economies, since such spillover would create a snowball effect that would be very difficult to manage. It was therefore appropriate to seek stability as the immediate priority, while also preparing to address over the longer term the more structural issues that had given rise to the crisis.

36. Finally, in response to the question about the perceived silence of IMF and the World Bank as the crisis developed, he noted that those institutions had also been warning about the situation before it occurred. The real deficiency in the system was the power imbalance that made small countries more likely than larger countries to heed the advice of international agencies. It was therefore important for early warning systems to be established, including in advanced countries, and for all countries to pay attention to the state of their economies and take timely action to avert problems.

37. **The Chairperson** invited the Committee to conclude the general discussion on the item.

38. **Mr. Davide** (Philippines) said that, in view of the ongoing severe financial crisis, the Doha Review Conference needed not only to review implementation of the Monterrey Consensus but also to consider the restructuring of the entire global financial architecture. However, care must be taken not to precipitously adopt one-size-fits-all solutions. It was by no means clear which international bodies were in the best position to oversee the reform that all agreed was necessary. In particular, he wished to hear an explanation from the IMF for its apparent failure to prevent the crisis. In addition, once efforts to address the crisis had evolved from the "containment phase" to the "resolution phase", questions would have to be asked about short-term measures involving government support for liquidity and guarantees of private liabilities that had been faulted in the past for having done more harm than good. The immediate question was how to shore up financing for development, which had already been shrinking in a time of relative growth, and which history had shown was often the first casualty of such crises.

39. **Mr. Patriota** (Brazil) said that, given the recent crises, the Doha Review Conference was an opportunity to take more ambitious measures to mobilize resources for development, and in particular to establish a follow-up mechanism to support implementation of agreed commitments. The draft outcome document was a good basis for discussion. But the intervening financial crisis had made addressing the instability resulting from unregulated capital markets all the more urgent. The final outcome document must allow sufficient policy space for domestic measures, ensure transparent regulation of private international flows, and provide for continued reduction of the cost of remittances. Disagreements in some areas, such as agricultural trade, could not be allowed to stand in the way of a successful final outcome, as they had during the July 2008

negotiations. Increases in ODA and technical cooperation should be combined with greater developing country participation, and neither South-South cooperation nor any other new innovative mechanisms should be seen as a substitute for unfulfilled ODA commitments by the North. Debt relief initiatives, which had achieved notable successes, needed to be expanded to more countries. A successful final outcome to the Doha Conference depended on promotion of coherence, consistency and participation in the global financial order, and he urged more decisive action under United Nations auspices, including by the Economic and Social Council, towards that end.

40. **Ms. Prorok** (Ukraine) said that her country had succeeded in attracting private flows through legislative and regulatory reform, and hoped that the financial crisis would not adversely affect direct foreign investment. Open, transparent and non-discriminatory multilateral trade was not only crucial for growth but also hastened the integration of emerging market economies into the global system. At the upcoming Doha Conference priority should be given to stabilizing the international financial and trading systems, as well as to promoting increasing interaction among the Economic and Social Council, the Bretton Woods institutions and WTO. There should also be increased harmonization among international aid donors, along with reduction of administrative costs and alignment of aid with recipient countries' development priorities in accordance with the 2005 Paris Declaration on Aid Effectiveness, which her country had signed in 2007. An innovative mechanism to reduce the cost of remittances, which were an important source of income for her country, should also be considered.

41. **Mr. Metelitsa** (Belarus), noting that foreign direct investment (FDI) remained a primary source of financing for development, reported that the Government of Belarus was adopting various measures to improve the investment climate, including by using the experience of other countries. In November 2008, a Belarusian Investment Forum would be held in London to introduce investment projects in Belarus to foreign businesses. If the Forum proved a success, it would be repeated in other financial centres.

42. Along with investment, the most important source of financing for development was trade. Consequently, urgent action was needed both to complete the Doha negotiations and to democratize the accession of new members to WTO. With the active participation of the United Nations and interested countries, fairer conditions for entry must be secured, taking into account the trade, financial and development needs of aspirant countries.

43. One of the major factors impeding development was the technology gap of the developing countries. Access to technology was key to effective development. The United Nations should take practical measures to ensure the proliferation of modern technologies, notably for the use of alternative and renewable sources of energy.

44. Efforts to reform the institutional architecture of the international financial system should concentrate on a far-reaching overhaul of the Bretton Woods institutions, which had been created in another era and for other purposes.

45. The draft outcome document of the Doha Review Conference acknowledged that the international organizations and developed countries should tailor their international economic policies more to the needs of both low-income and middle-income countries. The latter had problems of poverty too, elimination of which would require the assistance of the international community. Their needs had been discussed at three international conferences, and would be the subject of a draft resolution to be submitted shortly and which he called on all countries to support.

46. **Mr. Alahraf** (Libyan Arab Jamahiriya) said that the financial crisis had further jeopardized fulfilment of the promise of the 2002 Monterrey Conference. The developing countries were in need of investment to mobilize domestic resources for achievement of the Millennium Development Goals (MDGs). But financial flows tended to be directed towards countries that produced raw materials, and to take the form of opportunistic speculation rather than investments in infrastructure, productive capacity and human resources. The benefits of trade were not universal, especially for single-commodity countries that were vulnerable to market fluctuations and protectionism. Developed countries should meet agreed ODA targets without conditions and should not include humanitarian assistance or debt relief in the total. Although it had achieved some successes, debt relief needed to be expanded, and should be provided on the basis of development needs rather than financial

considerations. The financial system needed to be restructured to give developing countries a greater voice in decision-making.

47. The Doha Review Conference offered an opportunity to create innovative new mechanisms, including an international mechanism to monitor implementation of the Monterrey Consensus, and he hoped that all parties would exhibit the flexibility necessary for a positive outcome. He also expressed support for the political declaration adopted by the High-level Meeting on Africa's Development Needs and the recommendations of the MDG Africa Steering Group, and hoped that the Doha Conference would take into account Africa's special development needs and the efforts being made by the African Union and the New Partnership for Africa's Development (NEPAD) to meet them.

48. **Mr. García González** (El Salvador) reiterated his country's commitment to the continued implementation of the Monterrey Consensus, while recognizing that such a commitment was to a large extent dependent on coordinated and efficient mobilization of financial resources for development, at both the national and the international level. In the present situation of global multidimensional crisis, the Doha Review Conference offered an invaluable opportunity to evaluate lessons learned, identify progress made and work cooperatively towards a multilateral response that would assist in building a new global financial and economic architecture.

49. El Salvador agreed with other delegations that had stressed the need to agree on a new mechanism for following up the Monterrey Consensus, one that would make it possible to enhance participation and effective monitoring of all the relevant actors from the international community with regard to progress made and obstacles encountered. That mechanism should be extended to cover the agreements reached in Doha.

50. While El Salvador recognized that every country bore primary responsibility for achieving its own economic and social development, it reaffirmed the importance of ODA as a complement to other sources of funding, in countries whose capacity to attract private direct investment was limited, as well as in the middle-income countries that needed such assistance. El Salvador was pleased at the outcome of the Second International Conference on Development Cooperation with Middle-Income Countries, at which the Consensus of El Salvador on Development Cooperation with Middle-Income Countries had been adopted. The Consensus had urged the international community, inter alia, to consider additional and more effective criteria for assistance to the middle-income countries, including the adoption of new and innovative mechanisms to provide them with more focused cooperation. El Salvador was confident that the negotiations taking place on the outcome document to be adopted at the Doha Review Conference would objectively and even-handedly reflect, notwithstanding the current situation of the world economy, a renewed focus on the international economic environment, reaffirming the need to fulfil the commitments undertaken within the Monterrey Consensus, as well as giving consideration to new or emerging topics such as cooperation for development with the middle-income countries.

51. **Mr. Sekudo** (Nigeria) said that, like other developing countries, Nigeria had undertaken wide-ranging macroeconomic reforms resulting in some modest gains in terms of real GDP growth. However, it was still faced with numerous development challenges which had been compounded by the global economic, energy and food crises and accentuated by concerns over the capacity of the Monterrey Consensus to provide the necessary road map to a lasting solution. The Consensus had had some positive effects on the development aspirations of developing countries. For instance, the debt relief extended to some of them had made it possible for funds that would normally have been expended on debt servicing to be utilized for critical socio-economic projects. FDI was on the rise, but some developing countries still faced daunting challenges. Nigeria therefore expected that the review process in Doha would provide the opportunity to consolidate FDI gains.

52. The Doha Review Conference should also explore modalities to expand the range of new initiatives on development financing. While Nigeria supported the suggestion that resources so realized should be transparently applied, it must be ensured that their implementation did not constitute an additional burden on the developing countries. The Conference should also explore ways of improving the benefits to be derived from remittances from nationals abroad. Nigeria welcomed the idea of the "co-development policy" aimed at making such remittances available for long-term economic purposes. That would involve tax

concessions and cooperation between countries of origin and countries of domicile, and Nigeria suggested that taxes on emigrants' remittances should be remitted to their home governments for development purposes, such as meeting the MDGs.

53. The importance of small and medium enterprises (SMEs) as the main source of employment for the largest segment of the population could not be overemphasized, and consequently the Doha Review Conference should give serious thought to strategies for employing and maximizing international funds to promote and strengthen an SME culture in the developing countries. Also, in view of the critical role of trade as a major engine of development, Member States should muster the political will needed to ensure the successful conclusion of the Doha Round, to which the Doha Review Conference should give top priority.

54. Most developing countries lacked the human resource to formulate, implement and own development programmes. There was thus a need for the Doha Review Conference to give substantial space to strategies for helping developing countries to improve their educational system so as to be able to produce quality staff capable of carrying out all-round development.

The meeting rose at 4.25 p.m.

United Nations A/C.2/63/SR.13

General Assembly
Sixty-third session

Official Records

Distr.: General
12 December 2008

Original: English

Second Committee

Summary record of the 13th meeting
Held at Headquarters, New York, on Monday, 20 October 2008, at 3 p.m.

Chairperson: Mr. Metelitsa (Vice-Chairperson) ..... (Belarus)

Contents

Agenda item 38: Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

08-56019 (E)

In the absence of Ms. Ogwu (Nigeria), Mr. Metelitsa (Belarus), Vice-Chairperson, took the Chair.

The meeting was called to order at 3.05 p.m.

Agenda item 38: Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources (A/63/74-E/2008/13 and A/63/123)

1. **Mr. Nour** (Officer-in-Charge, Regional Commissions New York Office) introduced a note by the Secretary-General transmitting the report on the item prepared by the Economic and Social Commission for Western Asia (ESCWA) (A/63/74-E/2008/13). He also conveyed to the Committee the apologies of Mr. AlDafa, Executive Secretary of ESCWA, who had planned to introduce the report but had been prevented from attending the present meeting by other urgent matters.

2. The report was submitted pursuant to Economic and Social Council resolution 2007/26 of 26 July 2007, and General Assembly resolution 62/181 of 19 December 2007, and covered developments up to the end of February 2008. It revealed that the occupation of the Palestinian Territory by Israel continued to deepen the economic and social hardship for Palestinians. The Israeli mobility restrictions and closure policies remained primary causes of poverty and humanitarian crisis in the occupied Palestinian territories, restricting Palestinian access to health and education services, employment, markets and social and religious networks.

3. Palestinians had been displaced as a result of the destruction of property, the confiscation of land and the revocation of residency permits. Almost 25 per cent of Palestinians living in occupied East Jerusalem were separated by the barrier from the city and from essential services to which they were entitled as residents. Continued settlement expansion was further fragmenting the West Bank into a series of isolated enclaves.

4. Israel's closure policies impeded normal economic activity and were a main cause of the deteriorating humanitarian situation. Palestinian export trade was particularly affected by the closure system, which raised transportation costs of basic commodities due to long detours caused by road blocks and the "back-to-back" system. The near-total isolation of Gaza since mid-June 2007 had resulted in shortages of food, medical and relief items, spare parts for critical health and water sanitation installations and raw materials for commerce and industry. Fifteen per cent of the population in Gaza had water for only one or two hours a day as wells and pumping stations fell into disrepair. In 2007, the overall daily average water consumption per capita had been 60 and 58 litres in the West Bank and Gaza respectively, far below the minimum standard recommended by the World Health Organization of 150 litres a day.

5. Social and economic indicators continued to show negative trends in the occupied Palestinian territories. Gross domestic product (GDP) per capita was estimated to have declined by 5 per cent in 2007 compared with 2006, and by almost 40 per cent compared with 1999. Unemployment had been estimated at 28.8 per cent in 2007, while dependency on humanitarian aid in the Gaza Strip now stood at over 80 per cent. A growing number of Palestinians, particularly children, suffered from malnutrition and other health problems. As a result of closures and curfews, pregnant women had been delayed in trying to access health care during pregnancy and childbirth, with an estimated 2,500 women a year giving birth while attempting to reach a delivery facility. Overall enrolment in basic education had fallen from a peak of 96.8 per cent in 2000 to 91.2 per cent in the 2006-2007 school year.

6. Israel was preventing the return of the Arab population of the occupied Syrian Golan expelled in 1967. As of March 2007, the population of Syrian Arabs in the Golan was down to an estimated 21,000 persons living in 5 main towns, compared to about 20,000 Israeli settlers living in 45 illegal settlements. The Arab population of the occupied Syrian Golan was faced with increasing restrictions regarding access to land and natural resources, and a large proportion of the traditionally pastoral population had lost significant acreage used for pasture.

7. In a message to the February 2008 United Nations Seminar on Assistance to the Palestinian People, the Secretary-General had reiterated the Organization's position that only a permanent political settlement which ended the occupation and gave Palestinians their independence could fundamentally alter the economic and humanitarian problems of the Palestinian people. He had stressed that the key

ingredients for a breakthrough existed, pointing to bilateral negotiations and the support of donors. With the right mixture of wisdom, realism and political courage, historic progress could be made towards the vision of two States, Israel and Palestine, living side by side in peace and security.

8. **Mr. Hijazi** (Observer for Palestine) said that, while he recognized that ESCWA had not been the only body involved in the production of the report and did not wish to undermine its significance, some items in it did not appear to be appropriate. For example, the report made a reference to "attacks by Palestinian militants", giving the impression that the Israeli occupation was the result of the Palestinian attacks. Everybody knew that was not true. Similarly, the statement that "internal conflict in the occupied Palestinian territory had compounded existing hardships" gave the misleading impression that the internal conflict was a main reason for the difficult economic and social situation in the occupied Palestinian territories. Such indications were not in line with the aim and main purpose of the report. He also requested that future reports should include pictures and other visual information to give a more telling image of the damage to natural resources caused by the occupation.

9. **Mr. Ali** (Syrian Arab Republic) drew attention to the importance of the work done by ESCWA in the economic and social domains for the countries of the region. He regretted the absence of the Executive Secretary of ESCWA, the more so as the date and time for consideration of the present agenda item had been deliberately selected to allow interactive participation with the ESCWA secretariat. He asked whether it would be possible to have more information on the source of the data contained in the report and also whether ESCWA experts had actually visited the occupied territories to see for themselves the reality of the occupied Palestinian and Syrian peoples. Additionally, he wished to know whether preparation of the report had involved close cooperation with the United Nations agencies and programmes working in the field.

10. **Mr. Nour** (Office-in-Charge, Regional Commissions New York Office) responded that he had taken note of the comments made and would convey them to ESCWA and its Executive Secretary. He stressed that the report had been produced on the basis of extensive consultations between ESCWA and other organizations working in the field. ESCWA experts had actually visited the occupied territories and had first-hand knowledge of the situation on the ground. The report had also benefited from input from departments at United Nations Headquarters.

11. **Mr. Saleh** (Lebanon), speaking on behalf of the Arab Group, observed that for more than four decades the Palestinian people in the occupied Palestinian territories and the Syrians in the occupied Syrian Golan had been suffering from oppressive Israeli measures, policies and practices, which constituted a flagrant violation of international conventions and customs, particularly international law, international humanitarian law and human rights law. It also constituted a deliberate disregard for hundreds of resolutions adopted by the United Nations. Arbitrary arrests of Palestinians and Syrians by Israel, the use of excessive force against them, the demolition of their homes, the strict restrictions on their movement, and the adoption of closure policies in the occupied Palestinian territories, had all impeded the Palestinians' access to health services, education, job markets and natural resources. In addition, Israel had imposed a suffocating economic siege and other restrictions on the movement of goods and persons and had tightened the restrictions on the operations of humanitarian agencies working in the occupied Palestinian territories, particularly the Gaza Strip, while the international community silently watched. That economic siege, which had led to severe shortages affecting the basic needs of everyday life, such as food, water, fuel, electricity and health care, had compounded the expansion of Israeli settlements, construction of new settlements, confiscation of lands, depletion of water resources and contamination of the environment by dumping of all kinds of wastes, including nuclear waste, in the occupied Palestinian and Syrian territories. All those activities were destroying economic and social life in the occupied Palestinian territories and the occupied Syrian Golan.

12. According to the ESCWA report, the Israeli occupation forces had demolished more than 2,200 residential units in the West Bank and Gaza during the past decade, leaving more than 13,000 Palestinians homeless. Again according to the report, the occupation forces had illegally confiscated more than 38 per cent of the Palestinian lands in the West Bank from their Palestinian owners, categorizing some portions as closed military areas, while using others to

expand existing settlements. In 2007, the number of Israeli settlements in the occupied Syrian Golan, according to the ESCWA report, had risen to 45, which had been built on the ruins of Syrian villages and agricultural lands in blatant violation of Syrian rights. Israel's actions were in defiance of Security Council resolution 497 (1981) and General Assembly resolution 27/61, which had both considered that the Israeli decision to impose its laws, jurisdiction, and administration in the occupied Syrian Golan was null and void.

13. Israel was still erecting its separation wall in the Occupied Palestinian Territory, in clear contravention of General Assembly resolution ES-10/15, in which the Assembly had acknowledged the advisory opinion of the International Court of Justice issued on 9 July 2004. The wall, which would eventually enclose more than 80 per cent of the settlers in 73 illegal settlements, would lead to the creation of a new reality contradicting both the letter and the spirit of Security Council resolutions 242 (1967) and 338 (1973), which called for Israel's unconditional withdrawal from the Arab occupied territories.

14. The separation wall would annex 10.2 per cent of the land of the West Bank, including East Jerusalem, to Israel. It would separate more than 50,000 Palestinians living in 15 residential communities from the rest of the West Bank, forcing those people to obtain residency permits to live in their own homes. The separation wall was also designed to enclose Palestinian natural resources, including water resources and wells, thus denying the Palestinian people their sovereignty over those resources. Furthermore, it encircled the highly fertile Palestinian farmlands; the Palestinian farmers who owned land on the other side of the wall were facing extreme economic difficulties, since over 80 per cent had trouble obtaining Israeli permits to allow them to cultivate their own lands. The first phase of the wall construction had led to the destruction of more than 12 million square metres of fertile agricultural Palestinian land. The construction of illegal settlements in the West Bank and Gaza, in addition to the construction of the separation wall, had led to the confiscation of 3,292 square kilometres of Palestinian lands between 1967 and the present. From 1967 to 2000, Israeli forces and illegal settlers had uprooted a million olive trees, in addition to a large number of other fruit-bearing trees. Since 2000, the Israeli occupying forces had uprooted over a million additional trees for the purpose of building or expanding settlements, and connecting them through a network of special roads.

15. Israel was exploiting 86 per cent of the water resources available in the West Bank, while Israeli settlers used a further 5 per cent, leaving the Palestinian population with a mere 9 per cent to meet their entire needs. In the occupied Syrian Golan, the Israeli occupying authorities deprived the Syrian farmers of the water they needed for agriculture, selling it to them at prices that exceeded many times what the Israeli settlers paid. Israel also imposed high tariffs on Syrian agricultural products, which made the Syrians unable to market them at a competitive price.

16. The excessive Israeli exploitation of the water resources in the Palestinian territories had led to an increase in the salinity of the existing aquifers. Furthermore, the channelling of waste water from the sewage networks of the Israeli settlements towards Palestinian valleys and villages, as well as the dumping of solid waste from the settlements into Palestinian lands, had led to the contamination of the aquifers in the West Bank and several cases of intestinal disease. The scarcity of the water available to the Palestinians, in addition to the contamination of a substantial portion of it, prevented them from moving to irrigated cropping, which had higher economic returns, and restricted them to the practice of rain-fed agriculture.

17. All of those illegal Israeli practices represented a violation of the rules of international law, especially international humanitarian law and human rights law. They had led to the creation of a suffocating economic and social situation, which had exacerbated unemployment and led to the collapse of numerous Palestinian institutions, as well as to the displacement of many families from their lands, which were their only source of livelihood. The Palestinian people in the occupied Palestinian territories were deprived of all inalienable rights, including the right to life, the right to ownership and the right to development of and sovereignty over their natural resources.

18. Member States should urgently work together to force Israel, the occupying Power, to respect its commitments under international law, international humanitarian law, and relevant United Nations resolutions; lift the injustice afflicted upon the Palestinian people in the occupied Palestinian territories and the Syrians in the occupied Syrian

Golan; compensate them for the damage inflicted on them; and recognize their legitimate right to sovereignty over their natural resources. As long as the Israeli occupation persisted, given the inability of the international community to put an end to it, the United Nations General Assembly, and especially the Second Committee, would remain responsible for highlighting the adverse economic, social, and environmental impacts of that occupation on the Palestinian and Syrian peoples.

19. **Mr. Hijazi** (Observer for Palestine) recalled that 2008 marked the sixtieth anniversary of the catastrophe that had forcibly exiled hundreds of thousands of Palestinian people from their homes and land. During the past 41 years of brutal oppression by the occupying Power, Palestinians had watched with increasing desperation as their national resources were illegally confiscated and exploited. Those actions had directly contributed to drought and desertification in Palestine and currently threatened the viability of the Palestinian people's legitimate aspirations for self-determination.

20. Water resources were becoming increasingly scarce owing to the illegal construction of the separation wall in the Occupied Palestinian Territory, which would de facto annex approximately 46 per cent of such resources in the West Bank. The occupying Power already used 73 per cent of the available water from the West Bank aquifers, while Palestinians used only 17 per cent. In the Jordan Valley alone, 41 illegal Israeli settlements consumed 75 per cent as much water as the entire Palestinian population of the West Bank. In addition, the occupying Power had allocated only one eighth of the 850 million cubic metres of freshwater produced by water aquifers in the occupied West Bank to the Palestinian population. More than half a million Palestinians in the West Bank were therefore forced to buy increasingly expensive water for household, agricultural or industrial use. Consequently, the overall daily average of water consumption per capita in Palestinian households had dropped to alarming levels in the West Bank and in the Gaza Strip.

21. The crippling siege of Gaza and the disruption of its fuel supply had also resulted in much of the sewage from Gaza being pumped into the sea untreated, causing irreversible environmental damage and posing an increasing threat to human health. The illegal settlements in the Occupied Palestinian Territory were yet another source of serious environmental pollution, particularly their 200 or so toxin-producing factories. The occupying Power was compounding the problem by denying Palestinians the right to carry out water and environmental projects. Such restrictions had left Palestinians with fewer water resources than before the Israeli occupation of 1967. That situation was not only unsustainable but also clearly in grave violation of the right to food.

22. Agriculture was the only source of income for hundreds of thousands of Palestinians. However, the Israeli occupying forces had been waging a war against that vital sector of the Palestinian economy since 2000, including by destroying a million and a half trees in the Occupied Palestinian Territory. The occupying Power currently exploited 40 per cent of the land of the West Bank and much of the territory's valuable land and water resources had been annexed by the illegal construction of the separation wall.

23. Israel's punitive system of over 700 checkpoints and barriers was severely restricting the freedom of movement of the entire Palestinian population and having a negative impact on farmers in the Occupied Palestinian Territory, particularly olive farmers. The Israeli authorities had issued only 10 per cent of the permits that had been issued to Palestinian farmers in the previous year to enable them to access their crops behind the illegal separation wall. Such restrictions would have a devastating impact on the quality of their soil and crops in the long term. The siege of the Gaza Strip was also reported to have driven the agricultural and fishing industries there to near collapse.

24. Since the Annapolis Conference, the occupying Power had used the rhetoric of peace to buy time while it continued to confiscate more Palestinian land and to destroy the prospects for a viable Palestinian State. It was the moral and legal obligation of the United Nations to ensure that the occupying Power ceased its exploitation of Palestinian resources and compensated the Palestinian people for the losses they had suffered as a result of those illegal practices.

25. **Mr. Al-Mazrouei** (United Arab Emirates) said that the Palestinian people continued to suffer as a result of the occupation by Israel. The Israeli authorities had separated the Palestinian territories and imposed checkpoints on the roads, constraining the movement of goods and people. Palestinian children were also suffering from malnutrition and a lack of access to basic education as a result of those policies.

26. The confiscation of Palestinian natural resources, the destruction of Palestinian land and the pollution of Palestinian water resources were all expansionist policies pursued by Israel in gross violation of international human rights and humanitarian law. Israel had adopted equally oppressive and discriminatory policies against the Arab population in the occupied the Syrian Golan. His delegation therefore called on the international community to adopt all measures necessary to ensure that Israel ended its aggressive policies, withdrew from the occupied territories and compensated the Palestinian people for the damage caused. The international community should also increase its donor assistance so that the Palestinian people could rebuild their destroyed infrastructure.

27. **Mr. Daoud** (Sudan) said that the Israeli occupation continued to impose constraints on the movement of Palestinian goods and people and to disrupt the work of the humanitarian agencies. The closure regime had increased levels of extreme poverty among Palestinians by curtailing their access to health care and education. Palestinian citizens were still being subjected to arbitrary arrests and confiscation or destruction of their property. Meanwhile, the construction of the illegal separation wall and the displacement of the Palestinian people by illegal settlements continued.

28. The exploitation of Palestinian natural resources, including 91 per cent of the West Bank's water resources, and the confiscation of Palestinian arable land by the occupying Power were in clear violation of the Fourth Geneva Convention and had led to a lack of food and energy security for the Palestinian people. Israel's confiscation of Syrian land and natural resources had also had a negative impact on the Arab population living in the occupied Syrian Golan.

29. His delegation called on the international community to honour its commitments to end the hardships suffered by Palestinians in the Occupied Palestinian Territory and the Arab population in the occupied Syrian Golan. It also called on Israel to withdraw from the occupied territories and to provide compensation for the damage caused.

30. **Mr. Al-Habshee** (Malaysia) expressed deep concern over some of the most disturbing information contained in the report: 83 inhabited residential structures had been demolished between February and December 2007, resulting in the displacement of more than 611 Palestinians; the overall daily average of water consumption per capita in the Occupied Palestinian Territory and the Gaza Strip was far below the minimum standard recommended by the World Health Organization (WHO); individual acts of wanton cruelty continued unabated; and mobility restrictions and closure policies continued to impede the normal economic activities of the Palestinian people and the Arab population in the occupied Syrian Golan.

31. The export of olive oil played a particularly important role in the Palestinian economy. However, the people living in the Occupied Palestinian Territory had not been able to benefit from the increase in prices owing to the restrictions imposed on them by the occupying Power. As a result of those restrictions, the occupied territories had suffered from a shortage of food and fuel long before the start of the current global crises. More aid would be needed to avert a humanitarian crisis, especially given the anticipated fall in official development assistance (ODA) as donors struggled to cope with the effects of the financial crisis.

32. Israel also continued to restrict the movement of humanitarian workers, thereby denying basic assistance to those most in need. The present behaviour of the occupying Power was not surprising, however, given its history of brutal oppression of those living under its occupation, its lack of respect for the norms, customs and laws governing civilized States and its flagrant violation of international law, including the Fourth Geneva Convention and its Additional Protocol, Security Council resolution 242 (1967) and Security Council resolution 338 (1973).

33. His delegation urged Israel to respect in full all the relevant resolutions adopted by the General Assembly and the Security Council as well as international human rights and humanitarian law. Israel must also respect the advisory opinion of the International Court of Justice, which had called on Israel to cease construction of the separation wall and to provide reparations for any damage caused to Palestinians. However, the tireless efforts of the international community would be insufficient without a strong and sincere commitment on the part of all the parties involved to find a lasting solution to the conflict.

34. **Mr. Shawabkah** (Jordan) said that the illegal Israeli settlements and separation wall in the occupied

Palestinian territories had had devastating consequences for the economic and social conditions of the Palestinian people. The settlements were a major source of environmental pollution, while the separation wall had led to the destruction of the olive oil industry and had deprived the Palestinian people of access to their own agricultural lands.

35. Such Israeli practices constituted a danger to the peace process. His delegation therefore called on Israel to cease all settlement activities and construction of the separation wall in the occupied Palestinian territories.

36. **Mrs. Wahab** (Indonesia) said that, while the recent High-level Event on the Millennium Development Goals had emphasized the need to provide greater access to resources for regions unable to reach their targets, the MDGs were far beyond the reach of the Palestinian people living in the Occupied Palestinian Territory and the Arab population in the occupied Syrian Golan, who were denied access to resources and were experiencing a severe economic depression. Unceasing turmoil in the West Bank and Gaza, together with closures, curfews and economic restrictions, had jeopardized development, with the Palestinians unable even to count on the provision of basic social services.

37. An urgent solution was needed for the problem of Israeli settlement activities, which were in breach of international law and created severe economic hardships for the Palestinian people. All social and humanitarian indicators pointed to a decline in living conditions, to which the international community must respond; her delegation therefore welcomed the focus of the 2008 United Nations consolidated appeal for the Occupied Palestinian Territory. Only a permanent political settlement that ended the occupation and gave Palestinians their independence would, however, achieve a long-term improvement of conditions.

38. The existence of a viable Palestinian State would also depend on the preparedness of its people to assume all the responsibilities that made for effective self-determination. Since efforts by the international community to help equip the Palestinians for those responsibilities required funding, her delegation appreciated the outcomes of the Paris donors' conference and the Palestine Investment Conference, while also acknowledging the importance of the Berlin conference in support of Palestinian civil security and the rule of law. For its own part, it proposed to work through the New Asian-African Strategic Partnership (NAASP) to enhance the technical capacity of the Palestinian people and had co-sponsored the July 2008 NAASP Ministerial Conference on Capacity-Building for Palestine, which had mobilized Governments and international organizations to train Palestinians in fields needed for the administration of an independent Palestinian State. In that context, her country would train 1,000 people over five years, with a focus on the institutions required for peacemaking and peacebuilding. It was optimistic that a successful two-State solution would eventually be achieved.

39. **Mr. Al-Fayez** (Saudi Arabia) said that conditions in the Middle East were highly volatile and dangerous. The continued Israeli occupation of Arab lands had resulted in violence and unrest owing to the constant suffering and despair caused to the Palestinians by measures including arbitrary detention, the disproportionate use of force, house demolitions, and severe restrictions on the mobility of both people and goods. The Occupied Palestinian Territory, and the Gaza Strip in particular, was subject to a suffocating economic embargo and the continued construction of Israeli settlements.

40. The only way to bring the situation to an end was through Arab-Israeli peace, which would also have repercussions for international peace and security. Otherwise, the sufferings of the Palestinian people would only increase, while their opportunities for development would decrease as they continued to deplete their energy and resources in trying to resolve the conflict.

41. History showed that continued commitment to a just and permanent peace would lead to a resolution of the situation in the region. Both parties to the current peace talks should therefore seek a comprehensive solution. All previous efforts had been based on partial or unilateral measures that did not solve the problem. Exaggerated emphasis on procedural questions, disregard for the basic issues and the absence of clearly defined steps with a balanced and binding timetable had rendered the Quartet's rapprochement efforts ineffectual, especially in the absence of neutral observers to monitor compliance and penalties for non-compliance. Israel had infringed previous agreements and a new vision was urgently needed. The Arab peace initiative represented a historic opportunity to establish peace on the basis of international legitimacy. His country was committed to seeing an

end to the conflict, with the establishment of agreements based on the withdrawal of Israel from the territories occupied in 1967. Since the Arab countries had reached consensus on the question of refugees and had reaffirmed their commitment to peace, it was now incumbent on the international actors to change their way of dealing with the conflict. Israel must end its inhumane treatment of the Palestinians and cease colonization activities and the building of the separation wall, which was aimed at the unilateral establishment of new facts on the ground.

42. **Mr. Ja'afari** (Syrian Arab Republic) said that, despite all the United Nations reports and resolutions on the Israeli occupation of Palestinian territories and the Syrian Golan, the suffering of Palestinians and Syrians in those occupied territories was increasing. According to the report of the Special Rapporteur on the situation of human rights in the Palestinian territories occupied by Israel since 1967 (A/63/326), the occupation possessed characteristics of colonialism and apartheid. The ESCWA report also provided facts and figures detailing the practices of the Israeli occupation and its violations of the Geneva Conventions, as well as clearly showing that Israeli military commanders were committing crimes against humanity, for which they should be held accountable and tried immediately.

43. The Israeli occupation of the Syrian Golan and the suffering of the Syrian people living under occupation had persisted since 1967, with Israel imposing its laws on the occupied Syrian Golan in violation of Security Council resolution 497 (1981) and continuing to adopt policies and impose practices on the Syrians living in the occupied Syrian Golan that deprived them of their livelihoods and their rights under international law. In particular, the ESCWA report highlighted the building of settlements on the ruins of Syrian villages in the occupied Golan; the continued threat posed by landmines, including mines in the form of children's toys, which had injured four Syrian children in 2006; Israel's depletion of natural resources in the occupied Syrian Golan, including by dumping nuclear waste, destroying agricultural land and depriving Syrian citizens of access to water, and its attempts to impose Israeli nationality on them.

44. When the Committee recommended that the General Assembly should adopt resolutions taking into account the social, environmental and political situation of populations under foreign occupation, it conveyed a clear message to the world's people and to future generations that the occupation of other peoples' lands by force was a violation of both human nature and all international laws and instruments. His delegation denounced the position of some States which, while calling for human rights to be upheld in all international forums, opposed mentioning the suffering of peoples living under foreign occupation, especially Israeli occupation, when it came to negotiating draft resolutions on humanitarian and social questions. The Assembly's inability to impose its resolutions due to the imbalance of political power did not render those resolutions any less important. His delegation hoped that the Committee would adopt by consensus the draft resolution before it, thereby unequivocally indicating that it was opposed to all forms of foreign occupation.

45. **Mr. Al-Aud** (Yemen) said that the Israeli occupation authorities were persisting in their aggression against the Palestinian people, through targeted killings, a continued embargo and closure policy and the building of military checkpoints, as well as by destroying houses and confiscating land. His delegation wished in particular to highlight Israel's practices against agriculture in the Occupied Palestinian Territory. The Palestinian agricultural sector was suffering huge losses as a result of the destruction and confiscation of arable land and the uprooting of fruit trees, leading to an escalation of poverty and directly harming 60,000 Palestinian farmers. As a result, the number of Palestinian families living below the poverty line had increased and the efforts of the Occupied Palestinian Territory to achieve the MDGs were being hindered. Similarly, farmers in the occupied Syrian Golan were facing restrictions on their access to water and very high taxes on their crops, which had a negative impact on their ability to market agricultural commodities and consequently damaged their livelihoods.

46. Israel's policy of systematic aggression against the Palestinians was a clear violation of humanitarian and international law. By targeting the agricultural sector it aimed to destroy the backbone of the Palestinian economy, which would in turn further increase the suffering of the Palestinian people.

47. His delegation reiterated the inalienable rights and total sovereignty of the Palestinian and Syrian peoples in occupied territories over their natural resources and called on the international community to

oblige Israel to comply with the relevant United Nations resolutions and rules of international law, to lift the blockade on the Gaza Strip and to stop confiscating and destroying land, uprooting trees and depleting resources in the occupied Arab territories.

48. **Mr. Ben-Tura** (Israel) expressed disappointment that the Committee was once again considering an item that reflected a selective, one-sided and distorted political agenda. Rather than advancing peace or truly attempting to address the issue of shared natural resources, the current discussion served solely as a political instrument to perpetuate an unbalanced and inaccurate information campaign about the Israeli-Palestinian conflict. Not once during the debate had any reference been made to the attacks regularly launched on Israeli citizens by Hamas rockets, with the aim of killing and injuring as many innocent people as possible, nor had there been any condemnation of the incitement against Israel's very legitimacy that took place in Hamas-run schools. Those phenomena had intensified since Israel's disengagement from Gaza and the subsequent Hamas takeover. There had also been frequent attacks by Hamas terrorists on border crossings between Israel and the Gaza Strip, which were vital entry points for humanitarian assistance and other supplies. Israel's security measures were thus a necessary response to the security threats that it faced.

49. The ESCWA report ignored the fact that the Palestinian Authority already exercised jurisdiction over many resources, while interim cooperation and arrangements were in place with regard to other resources. Cooperation was critical since natural resources cut across borders and affected all people in the region.

50. Rather than singling out one country for discriminatory treatment, the Committee should focus on urgent issues of concern to all countries. The economic and social situation of all parties to the conflict would improve once Israelis and Palestinians had negotiated a fair, just and lasting final status agreement. The involvement of the Committee did nothing to promote the cause of peace in the Middle East region, which would instead require genuine, bilateral dialogue among those committed to coexistence.

51. **Ms. Loza** (Nicaragua) said that it was pointless to talk about sustainable development and economic growth when people lacked control over their own lands, water and other natural resources, and particularly when an occupying force denied them access to basic rights such as health and education. The strangulation of the Palestinian economy was a direct result of the illegal occupation of its lands and other natural resources, the restrictions on the mobility of its people and the destruction of its infrastructure on a daily basis. The Palestinian people could not dedicate itself fully to pursuing economic and social development when its prime concern was to survive the bombardments of the Israeli army.

52. Her country, which had itself suffered foreign occupation and aggression at various points in its history, reaffirmed the legitimacy of the Palestinian people's struggle and resistance to the Israeli occupation. While it was important to aspire to the sustainable economic development of the Palestinian people, the first task must be to require Israel to implement the resolutions calling on it to recognize the Palestinian people's right to self-determination and sovereignty, and thereby to allow them to return to the land that was historically theirs. The Committee should continue to discuss the agenda item each year until that was achieved.

53. **Mr. Ashoor** (Oman) said that Israel, in defiance of numerous United Nations resolutions, continued to exploit resources that rightfully belonged to the Palestinian people and the Arab population of the occupied Syrian Golan. It was also continuing construction of the separation barrier in defiance of the advisory opinion of the International Court of Justice. Israeli settlement construction was altering the landscape, and Israeli monopolization of land and water resources was depriving thousands of Palestinian families of their livelihoods. The Arab population of the occupied Syrian Golan was also being deprived of access to its water resources, including Lake Mas'adah, which was being diverted for the use of Israeli settlements, further handicapping an agricultural sector already overburdened by disproportionately high Israeli taxes. The solution was to revive the peace process on the basis of the principle of land for peace in accordance with international resolutions and the 2002 Arab Peace Initiative.

54. **Mr. Al-Murbati** (Bahrain) said that the Arab-Israeli conflict illustrated clearly the relationship between security and economic development. Since 1967, Israel had been exploiting resources in the Occupied Palestinian Territory and the occupied Syrian

Golan in defiance of United Nations resolutions and the Geneva Conventions. Israel's land confiscation, the complicated system of checkpoints, and the illegal separation barrier had isolated Arab populations from one another and cut them off from their livelihoods and essential services. Israeli settlement activity was depleting water and land resources in environmentally unsound ways. In the occupied Syrian Golan, Israel continued to dispose of nuclear waste and was diverting the waters of Lake Mas'adah for the benefit of its expanding settlements. In the face of all those obstacles, no progress could be made without a permanent political settlement that ended the occupation and realized the vision of two States living side by side in peace.

55. **Mr. Tag-Eldin** (Egypt) said that the report had amply documented the deterioration of conditions in the Occupied Palestinian Territory resulting from Israel's excessive use of force, arbitrary arrest, expropriation, land levelling, settlement expansion, restriction of movement, and continued construction of the separation barrier in defiance of the advisory opinion of the International Court of Justice. In the occupied Syrian Golan, the Arab population continued to be cut off from their resources in spite of United Nations resolutions declaring the Israeli annexation of the Golan illegal. In the face of those facts, the international community must take action, and his country had engaged in tireless efforts to preserve the momentum of the peace process. Fundamental change in the economic and humanitarian situation would not occur without the realization of Palestinian sovereignty over all the Occupied Palestinian Territory, including East Jerusalem; complete withdrawal by Israel from occupied Arab land in Palestine, the Syrian Arab Republic and Lebanon; and full implementation of the Arab Peace Initiative. He called on Israel to display the political will necessary for a political solution.

56. **Mr. Al-Nasrallah** (Kuwait) said that the continued inhuman practices of the Israeli occupation authority, ranging from house demolitions and mobility restrictions to killings and arbitrary arrests, had prevented the Palestinian people in the occupied territories and the Arab residents of the occupied Syrian Golan from enjoying even minimum basic living standards, in violation of the rules of international humanitarian law and human rights law, as well as the advisory opinion of the International Court of Justice. Construction of the separation wall had led to internal displacement, forced many people in the West Bank to relocate, caused hundreds of Palestinians to lose their agricultural livelihoods and deprived many thousands of people of access to their work.

57. The Israeli occupation authorities also had total control of the majority of water resources in the Palestinian territories. As a result of their military activities, many reservoirs and wells had been destroyed, leading to water contamination. Traces of the polio virus had been found in the water supplies of the Gaza Strip. The Israeli occupation policies had also contributed to a major deterioration of the Palestinian economy, which meant that it would be very difficult for the Palestinians to achieve the MDGs by 2015. Finally, Israel's policy of arbitrary arrests and detentions had led to the imprisonment of some 9,400 political prisoners, including 120 women, some of whom were under 18 years of age.

58. In the occupied Syrian Golan, the ongoing construction and expansion of Israeli settlements had led to the continuation of oppressive policies against the Arab population, including the imposition of disproportionately high taxes, with the aim of forcing them to abandon their homes and lands.

59. He emphasized his country's commitment to the Arab Peace Initiative as the means of achieving a comprehensive, just and lasting peace and securing Israeli withdrawal from all the occupied Arab territories, including the occupied Syrian Golan.

60. **Mr. Alahraf** (Libyan Arab Jamahiriya) said that there had been no change in the methods of the occupation. In addition to having killed almost 400 people and injured almost 2,000 during the previous year, it was doing psychological and material damage to Palestinian families and destroying residential areas and agricultural land. As part of a calculated policy of social and economic strangulation, settlement expansion had cut off Palestinian areas from each other, the separation barrier had cut off thousands of inhabitants from their sources of livelihood and basic services, and border closures had cut off Palestinians from the outside world and foreign assistance. The resulting conditions were particularly hard on refugees, women, children, and the sick. In the occupied Syrian Golan, the occupier was building settlements, levelling land, uprooting trees, and destroying the agricultural sector by monopolizing water supplies and imposing

exorbitant taxes. Israeli occupation policies were in clear violation of international law, and the deteriorating conditions would only increase the sense of marginalization, despair and deprivation among the population. He called on the international community to demand an end to the occupation, restoration to the Palestinian people of their rights, and compensation from the occupation authorities for the human and material damage they had caused.

61. **Mr. El-Enazi** (Qatar) said that the continued decline of social and economic conditions among Palestinians made finding a solution to the Arab-Israeli conflict all the more urgent. The Israeli army continued to act in flagrant violation of international law and United Nations resolutions, with almost 400 dead and close to 2,000 injured during the previous year. Over 8,000 Palestinians were in Israeli prisons, including over 800 being held in administrative detention without charge or trial. The separation barrier was dismembering Palestinian territory into isolated pockets and cutting off East Jerusalem. The occupation and its settlements were a serious obstacle to development in both the Occupied Palestinian Territory and the occupied Syrian Golan. If Israel truly desired security and peace, it should comply with international resolutions that called for an independent Palestinian State with Jerusalem as its capital and full withdrawal from the occupied Syrian Golan.

62. **Mr. Hijazi** (Observer for Palestine), speaking in exercise of the right of reply, said that, rather than expressing disappointment about so-called selectivity in consideration of the agenda item, the representative of Israel would do well to examine the facts, which had been amply documented by the report and had been confirmed by many other agencies, including Israeli human rights organizations. Rather than attacking the Committee for considering the item, the Israeli Government should take steps to reverse the abhorrent reality that those facts reflected, and end the occupation in order to pave the way for a better tomorrow for both peoples.

The meeting rose at 5.55 p.m.

United Nations

A/C.2/63/SR.14

General Assembly
Sixty-third session

Official Records

Distr.: General
3 December 2008

Original: English

Second Committee

Summary record of the 14th meeting
Held at Headquarters, New York, on Wednesday, 22 October 2008, at 10 a.m.

Chairperson: Ms. Ogwu (Chairperson) ..... (Nigeria)
later: Mr. Torrington (Vice-Chairperson) ..... (Guyana)
later: Ms. Ogwu (Chairperson) ..... (Nigeria)
later: Mr. Torrington (Vice-Chairperson) ..... (Guyana)

Contents

Agenda item 53: Eradication of poverty and other development issues

(a) Implementation of the second United Nations Decade for the Eradication of Poverty (2008-2017)

(b) Industrial development cooperation

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

08-56378 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 53: Eradication of poverty and other development issues

(a) Implementation of the second United Nations Decade for the Eradication of Poverty (2008-2017) (A/63/159 and A/63/190)

(b) Industrial development cooperation (A/63/309)

1. **Ms. Stamatopoulou** (Acting Director, Division for Social Policy and Development, Department of Economic and Social Affairs) introduced the reports of the Secretary-General on the role of microcredit and microfinance in the eradication of poverty (A/63/159) and on the implementation of the second United Nations Decade for the Eradication of Poverty (2008-2017) (A/63/190).

2. **Mr. Yumkella** (Director-General, United Nations Industrial Development Organization) introduced the report of the United Nations Industrial Development Organization (UNIDO), which highlighted current trends in the performance of developing countries, while underlining the critical role of industrial development and private sector-led economic growth for poverty reduction, with a view to preventing further marginalization and disenfranchisement of the poor.

3. **Mr. Lorenzo** (Dominican Republic) said that needs assessment reports and poverty reduction strategy papers (PRSPs) were of crucial importance to developing countries, especially the Dominican Republic, which was a pilot country for the United Nations Public-Private Alliance for Rural Development. The preparation of his country's Millennium Development Goal needs assessment report had helped his country to address major development issues, such as lack of capacity.

4. Needs varied even within countries; it was therefore important for national goals to translate into local realities. He wondered what impact soaring oil prices might have on the ability of developing countries to achieve the Millennium Development Goals, and to what extent a needs assessment report, as a concrete plan of action, was crucial to establishing a realistic national poverty reduction strategy.

5. **Mr. Yumkella** (Director-General, United Nations Industrial Development Organization) said that the oil and food crises were indeed wreaking fiscal havoc throughout the world. The World Bank and the United Nations were currently monitoring the situation of around two dozen extremely vulnerable countries, most of which were also considered politically fragile and were therefore a source of growing concern. Not only did such countries face serious balance of payments and inflation problems, but their Governments were also being forced to make difficult decisions on such issues as the appropriateness and feasibility of providing fuel subsidies to their people.

6. Another major consequence of high oil and food prices was lack of predictability, as developing countries found it increasingly challenging to plan for the future, including with regard to achievement of the Goals.

7. The situation remained difficult; he nevertheless applauded efforts by the United Nations System Chief Executives Board for Coordination and the World Bank, which would be meeting in the near future in order to prepare a joint response to crises-related issues. In any case, it was crucial to recognize that the social agenda and the economic growth agenda were intertwined and should not be dealt with separately.

8. **Ms. Greenaway** (Antigua and Barbuda), speaking on behalf of the Group of 77 and China, said that the international community should scale up and coalesce efforts aimed at eradicating poverty. In particular, concerted efforts should be made to build on the lessons learned from the First United Nations Decade for the Eradication of Poverty by specifically targeting gender equality and the empowerment and participation of women and all disadvantaged groups; investing in science and technology for social and economic development and enhancing access of the poor to technology; investing in agriculture for development; developing human resources through education and training; promoting employment, job creation and decent work; and aligning official development assistance (ODA) with the Goal of eradicating extreme poverty and its corresponding targets, in accordance with national plans and priorities.

9. The United Nations development system should ensure that poverty eradication was accorded highest priority in its work programmes. The United Nations system should harness the potential of existing coherence and cooperation mechanisms to design more holistic and integrated approaches to implementing the Second Decade. She welcomed the Secretary-General's

recommendation concerning a pragmatic plan of action in support of the Second Decade (A/63/190, para. 54); such a plan of action should include the points she had just mentioned.

10. In conclusion, the Group of 77 and China wished to stress the essential role of sustainable industrial development as well as industrial development cooperation for the achievement of the internationally agreed development goals, including the Millennium Development Goals.

11. **Mr. Delacroix** (France), speaking on behalf of the European Union; the candidate countries Croatia and Turkey; the stabilization and association process countries Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, the Republic of Moldova, said that eradicating poverty was a prerequisite for sustainable development, requiring not only a tailored approach to countries' specific needs, but also global, coordinated solutions by multilateral stakeholders. The European Union had adopted and implemented a number of decisions to fight poverty in developing countries and was committed to continuing such efforts in the years ahead.

12. The Chief Executives Board would play a crucial coordinating role in the implementation of the second United Nations Decade for the Eradication of Poverty. The "Delivering as One" initiative should be further developed in order to continue strengthening coherence at local and central levels. A coordinated approach was all the more important as poverty went hand in hand with other issues, such as access to health, gender equality and, most importantly, human rights.

13. The European Union continued to support efforts towards expanding access of the poor to formal financial services. In that connection, it welcomed the efforts of the United Nations Advisers Group on Inclusive Financial Sectors and noted the importance of strengthening domestic financial sectors, as emphasized at the High-level Meeting on Africa's Development Needs. The European Union was also committed to promoting the creation of financial and information standards to increase the transparency of microfinance institutions and to improve regulatory frameworks and microfinance-related policies. He stressed the need for innovative approaches to inclusive finance and applauded efforts by microfinance institutions to diversify their selection of financial services in order to combat poverty.

14. The UNIDO approach of reducing poverty through productive activities that promoted cleaner and more efficient use of energy in industry, was laudable and should complement rural and agricultural development initiatives. It also supported an integrated approach to development, focusing on partnership, and welcomed cooperation between UNIDO and the New Partnership for Africa's Development and with the African Union on its Action Plan for the Accelerated Industrial Development of Africa.

15. **Ms. Wahab** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN) said that, despite some progress, the size and complexity of the challenge to eradicate poverty had increased. An approach based on mutual interests should be encouraged, making the most of actors' strengths and establishing shared responsibility for the efficient functioning of the global economy. The international community should assist national and regional efforts by creating a global economic environment that supported pro-poor growth with special emphasis on decent work for all and the expansion of small and medium-sized enterprises through the availability of microcredit. Poverty had declined sharply in the ASEAN countries, which had understood that achieving the Millennium Development Goals was not an end in itself, but rather a necessary step in the region's continuing efforts to promote rural development and address such issues as poverty, climate change, the food crisis and natural disasters.

16. Industrial development would bring structural changes, placing the economies of poor countries on the road to economic growth. In 1996, ASEAN had introduced an industrial cooperation scheme, based on preferential tariffs, to encourage cross-border resource-sharing and integrated production. The ASEAN Vision 2020, adopted in 1997, promoted equitable economic development, and the reduction of poverty and economic disparities in the region; initiatives were currently under way in the areas of infrastructure, human resource development, information and communication technology, and regional economic integration.

17. The developed countries had not made much progress in honouring their pledges to provide 0.7 per cent of their gross national income (GNI) as ODA to developing countries and 0.15 to 0.2 per cent to the least developed countries, solve the debt problems of

developing countries, transfer technology and reform the international financial architecture. Poverty eradication and the achievement of the Millennium Development Goals was a shared responsibility and should be implemented by the developed countries through transparent and accountable actions.

18. **Mr. Muita** (Kenya), speaking on behalf of the Group of African States, said that eradicating poverty was a precondition for sustainable development; however, despite some improvement, progress to that end was slow in sub-Saharan Africa, compared to other developing regions. A better understanding of the nature and range of the deep-rooted obstacles to the poverty reduction efforts of developing countries was needed. National development strategies must be broad and inclusive and take a holistic approach to the problem of poverty.

19. The Second Committee should ensure that the Second Decade reinforced global alliances for development by designing innovative policies based on new realities. A clear focus and direction that emphasized the special needs of Africa and the importance of decent work and stronger mechanisms to monitor progress towards the achievement of the internationally agreed development goals, including the Millennium Development Goals would be key to the success of the Decade. The African Group was concerned that the current economic crisis and the escalating cost of food and energy would have a greater negative effect on Africa than on other regions, undermining its ability to achieve the MDGs and other internationally agreed development goals. Consequently, while the developed countries were addressing the current crises at the domestic level, efforts should also be made to protect developing countries from the adverse impacts.

20. Africa was the region that benefited the least from the relocation of the manufacturing industry to developing countries. In most countries in sub-Saharan Africa, the share of manufacturing in gross national product (GNP) was too low to sustain meaningful development and, thus, poverty eradication. With support from its international development partners, industrial development could transform Africa and poor countries in other parts of the world but it would take political will and commitment at both the national and the international level to overcome existing obstacles.

21. The Second Decade should support the internationally agreed development goals relating to poverty eradication in an efficient and coordinated manner. Eradicating poverty was a collective responsibility, since poverty anywhere was a threat to peace, security and prosperity everywhere.

22. **Ms. Bai** Yongjie (China) said that the eradication of poverty and freedom from want were preconditions for the progress of society as a whole. The First United Nations Decade for the Eradication of Poverty had made some headway in raising awareness about the issue of poverty and formulating poverty reduction strategies. The key issue now was how to achieve the poverty eradication targets of the first Millennium Development Goal in the current economic environment, complicated by the food and energy crisis and the impacts of climate change. Consequently, the Second Decade should focus on poor populations in time of crisis and on promoting poverty eradication.

23. The international community needed to work together to mobilize resources and establish an international environment favourable to poverty eradication, through economic growth and employment creation. Developing countries should formulate appropriate poverty reduction strategies and promote economic development, while mobilizing the contributions of all sectors of society. Developed countries must honour their commitments to provide funds and other forms of assistance, and the United Nations should play a leading and coordinating role, and identify specific mechanisms to promote, finance and monitor the implementation of the Second United Nations Decade for the Eradication of Poverty.

24. Having already achieved the poverty reduction targets set out in the Millennium Development Goals, China was actively supporting the poverty reduction efforts of other developing countries in the context of South-South cooperation and would soon be taking additional measures to that end. Poverty reduction and better living conditions for the whole population were continuing objectives of her Government, which was ready to work with all other countries and international agencies to create a world without poverty.

25. Industrial development was the driving force for economic growth and wealth creation; however, it was linked to access to energy, the increase of competitiveness of small and medium-sized enterprises and environmental protection and therefore required

support and coordination at all levels. China supported the formulation and implementation by UNIDO of targeted cooperation strategies and programmes, in light of the development priorities and advantages of different regions and countries, in order to strengthen small and medium-sized enterprises in developing countries. It also commended UNIDO for emphasizing greater energy efficiency and environmental protection as important components of sustainable industrial development.

26. **Mr. Mansour** (Tunisia) said that the current crises illustrated the vulnerability of the international trading and financial system, which was not sufficiently inclusive and balanced to manage a global economy that was increasingly complex and interdependent, and was therefore in urgent need of reform. In that context, he questioned whether it was realistic to aspire to halving the number of people living in extreme poverty by 2015. His delegation wholeheartedly supported the Secretary-General's proposal to hold a Millennium Development Goals review conference in 2010, which could provide an opportunity to re-enlist global support.

27. Global responses to crises were characterized by economic, financial and technological inequalities and disparities and their quality and promptness depended on the contradictory interests at play. In the current context, it was not easy to mobilize financial resources for the developing countries, especially the least developed countries that were already finding it difficult to obtain financing. It was therefore appropriate that the General Assembly had been discussing food security, and that an Interactive Panel on the Global Financial Crisis would be held to examine its consequences and propose solutions in relation to the United Nations and its development agenda.

28. The Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus should give fresh impetus to development financing and his delegation supported the proposal to establish a United Nations mechanism to monitor compliance with commitments made under the Consensus. The global development partnership was, above all, a partnership against poverty and its implementation called for multisectoral collaboration. The United Nations must play a leading role in resolving the problems confronting the global economic order, and the array of poverty reduction initiatives showed that the international community was fully aware of the need for collective action. In that context, the World Solidarity Fund set up by the General Assembly was an important initiative. The current crisis gave the Second Decade even more meaning and his delegation supported the Secretary-General's proposal to establish a plan of action to support the Second Decade, which would include substantive work spanning the analytical, normative and operational activities of the United Nations in the area of poverty eradication. In that context, special attention should be paid to the specific needs of Africa.

29. **Mr. Alim** (Bangladesh) said that developing countries had formulated and implemented their national poverty reduction plans with mixed results. National efforts required external support, but ODA continued to decline, debt relief had been insufficient and the international trade regime was far from optimal. Poverty alleviation remained a critical challenge as the number of poor people was increasing rapidly even if, overall, the number of people living in extreme poverty had declined. The situation was exacerbated by the international financial crisis, and soaring food and energy prices; moreover, climate change would greatly increase the number of people at risk of starvation. Bangladesh supported the Secretary-General's recommendation to develop a comprehensive and pragmatic plan of action to support the Second Decade for the Eradication of Poverty, which should set out a programme of substantive activities, identify the roles and mandates of the different United Nations agencies and establish a mechanism to monitor implementation.

30. Microcredit played a huge role in poverty reduction and contributed to sustainable social and economic development. Over the past two decades, microcredit programmes had spread rapidly worldwide, accompanied by the diversification and innovation of financial products and services for the poor; it was estimated that demand for credit would double in the next five years. Microfinance institutions needed to obtain adequate funds to meet the growing demand and development partners should increase their support. Microcredit could also play a major role during the current crises, as microfinance institutions had proved to be insulated from external shocks, possibly because the local credit markets and borrowers were not integrated into the formal international economy.

31. In Bangladesh, the microcredit revolution had started with rural women in the 1970s and grown exponentially. The microcredit market was dominated by non-governmental organizations (NGOs) which, in addition to financing, provided technical assistance in the form of skills training and marketing assistance. The largest NGOs in Bangladesh were now expanding their services to other parts of the world, particularly in post-conflict countries.

32. *Mr. Torrington (Guyana), Vice-Chairperson, took the Chair.*

33. **Mr. Heidt** (United States of America), after reaffirming his delegation's support for the goals set out in the United Nations Millennium Declaration and the prescriptions of the Monterrey Consensus, drew attention to a White House summit on international development the previous day. The summit, which had been attended by the President of Liberia and other high-ranking officials, had focused on the core United States principles for the transformation of international development: country ownership, good governance, results-based programmes and economic growth.

34. United States President George Bush, had noted that the United States, which had provided more foreign assistance over the past eight years than at any time in the past half century, used aid to foster sustainable economic growth, promote good governance and advance a model of true partnership that gave poor nations a real stake in their own development. It encouraged the participation of volunteer organizations, local charities and the faith community, because they offered a compassion that no government could match. Above all, it insisted on accountability in return for its assistance. The President had also urged Congress to ensure that development remained an enduring priority for the United States.

35. Lifting people out of poverty was the cornerstone of economic development. Building on that foundation, the development community had recognized that several elements were essential if development was to succeed. First, responsibility rested ultimately with the country concerned. Government and people must formulate their own objectives and strategies. Secondly, good governance and the rule of law were indispensable; the role of government was to serve the public. Thirdly, private-sector economic growth was the driver of development: family farms and shops, small and medium-sized local firms and internationally competitive corporations created sustained growth, and thus wealth for the country as a whole. Naturally, development could take place only in a stable environment. Efforts must be made to mitigate still further the difficulties faced by countries emerging from conflict so that development could take root.

36. The international community should not be deterred by current problems, whether food and energy insecurity or financial market volatility. The fundamental needs had not changed; each challenge provided opportunities. The United Nations had rightly put the battle to eradicate poverty at the centre of its development agenda. The world was on track to meet the target of halving, by 2015, the proportion of the world's people whose income was less than one dollar a day. The international community should keep before it the example of countries that had successfully lifted themselves out of poverty.

37. *Ms. Ogwu (Nigeria) resumed the Chair.*

38. **Mr. Chabar** (Morocco) said that, at the halfway point, some progress in attaining the MDGs had been made. Nonetheless, 500,000 women died every year during pregnancy or in childbirth, and 39 million people were living with HIV/AIDS. Malaria and tuberculosis continued to kill thousands of children every year, and around 72 million children — 57 per cent of them girls — of school age did not attend school. Extreme poverty continued to affect millions. In addition, the sharp rise in food and fuel prices would seriously impede the attainment of the MDGs. It was estimated that a further 100 million people would be thrown into abject poverty.

39. The African countries were the hardest hit. Despite having undertaken economic and social reform and engaged in good governance, they had not attained sufficient economic growth to break the vicious circle of poverty. Donor countries, meanwhile, had failed to meet their goal of allocating 0.7 per cent of GNI to ODA or to double their aid to Africa, and only a few countries had benefited from debt relief. The trade negotiations of the World Trade Organization (WTO) were still stalled and the commitment to place development at the heart of the negotiations was being neglected, even though the High-level Meetings on Africa's Development Needs and on the High-level Event on the Millennium Development Goals had sent a clear message on the urgent need to forge a global

partnership for development and to honour the various commitments made.

40. In order to meet the 2015 deadline for the MDGs, Morocco had speeded up the process of economic and social development by launching programmes to deal with poverty and exclusion. Budgetary allocations to essential social sectors had been increased substantially, from 39 per cent in 1993 and 47 per cent in 2002 to the current figure of 55 per cent. The National Human Development Initiative launched in 2005, which was aimed at reducing poverty and vulnerability and placing the living conditions of those in poor rural and urban areas on a sounder footing, sought to combat marginalization and seclusion by improving access to services and basic infrastructure for health, education and literacy. It also sought to provide drinking water, to bring electricity to the countryside, to open up remote areas and to combat desertification.

41. Other aspects of the Initiative included job creation, whereby young people were encouraged to set up their own enterprises, and direct assistance for people with specific needs, such as women and children living in difficult conditions or in disadvantaged areas. The Initiative thus placed human development at the heart of government policy by means of a participatory and democratic approach that involved individuals in the development of their community.

42. Over 12,100 projects had been launched between 2005 and 2007 and were currently in progress. Implementation rates exceeded 70 per cent. Another 3,300 projects had been scheduled for 2008. A total of 3 million people — 10 per cent of the population — benefited from such projects, which had been largely instrumental in reducing poverty — as defined by the World Bank — from 15.3 per cent in 2001 to 9 per cent in 2007. The level of access to drinking water had also risen significantly. It would be available to 92 per cent of the population by about 2010. Considerable progress had also been made in bringing electricity to the countryside.

43. The other motor of development in Morocco was microcredit, which had grown in importance and contributed considerably to the financing of microprojects. According to professional estimates, total microcredit in 2007 had exceeded 5.6 million dirhams. Over 1.35 million active clients — 64 per cent of them women — had been helped.

44. Morocco was fully involved in South-South cooperation. The King of Morocco had initiated a number of development projects in the course of his many visits to sub-Saharan countries. Morocco had cancelled the debt of some of the least developed countries and exempted them from the payment of all tariffs. It had also transferred know-how and expertise, provided technical assistance in many areas and signed regional agreements on industrial and trade cooperation. It had also shared the experience gained from its National Human Development Initiative and hosted the first Conference on Human Development in Africa in April 2007.

45. Development objectives would be attained by implementing commitments undertaken to enable the countries of the South, particularly in Africa, to benefit from debt alleviation, investment growth and the mobilization of sufficient resources. Greater coordination and consistency were also required on the part of the various United Nations agencies, funds and programmes. His delegation therefore supported the Secretary-General's recommendation that a pragmatic plan of action should be adopted within the framework of the second United Nations Decade for the Eradication of Poverty.

46. **Mr. Tun** (Myanmar) said that poverty eradication was one of the greatest development challenges of the age, calling for multifaceted action in areas such as health, education, food, productive employment and decent work, gender equality and environmental protection. Some progress had been made. The World Bank estimated that, globally, poverty rates had fallen from 52 per cent in 1981 to 26 per cent in 2005. Progress was, however, uneven from one region to another. The development gap between the rich and the poor was more pronounced than in 1995 and many developing countries would find it difficult to meet all their MDGs. The number of people going hungry had risen to 1 billion, while another 2 billion were undernourished. What progress had been achieved was threatened by dwindling ODA and the impact of climate change, rising food and fuel prices and the global financial crisis.

47. In order to eradicate poverty, Myanmar had launched the National Development Plan, which focused on achieving balanced development by means

of economic growth and a narrowing of the gap between rural and urban areas. The Plan comprised three development programmes — the Border Areas Development Programme, the 24 Special Development Zones Plan and the Integrated Rural Development Plan — and would focus on education, health, energy, agricultural infrastructure and communication facilities, as well as human resources and technical and vocational training.

48. The Ministry of Progress of Border Areas, National Races and Development Affairs had been established in 1994 in order to strengthen the Border Areas Development Programme. The Ministry carried out projects not only to bridge the development gap between the heartland and the remote border areas but also to eliminate poppy cultivation in the latter by offering alternative activities. Its efforts were bearing fruit. Social and economic conditions had improved and illicit drug cultivation had diminished.

49. Myanmar had an abundance of arable land and 70 per cent of the population lived in rural areas. The promotion of rural development therefore not only ensured food self-sufficiency and contributed to poverty eradication but also furthered the development of the country as a whole. Agricultural productivity was being increased and education and health care improved in order to assist rural development. Conventional farming was being gradually mechanized in order to boost production and ease the life of farmers. The inclusive, integrated approach adopted in the National Development Plan had produced positive results. Myanmar expected to meet most of its MDG targets in health, education and access to safe drinking water. Many challenges remained, however. He called for more international cooperation and support to supplement the domestic resources on which development projects largely relied.

50. **Ms. Aitimova** (Kazakhstan), after welcoming the launch of the Second United Nations Decade for the Eradication of Poverty, said that progress in achieving the Millennium Development Goals was under threat from the financial, fuel and food crises and uncertainty over climate change. The current equilibrium might be upset, but new approaches to tackling the problem had not yet been adopted.

51. Kazakhstan had enjoyed rapid economic development in its 17 years of independence, thanks to reforms implemented in accordance with the country's long-term development priorities. The country had already attained the MDGs on poverty reduction and the eradication of extreme hunger, the provision of universal primary education, and gender equality and the empowerment of women. Kazakhstan had become a higher middle-income country, under the World Bank classification, with the gross domestic product (GDP) per capita increasing from US$ 700 to $5,100. Moreover, it had managed to attract more than $70 billion in foreign direct investment and had itself been increasingly investing abroad.

52. In 2004, Kazakhstan had achieved the goal of halving the number of people on incomes below the international minimum subsistence level. On completion of the 2003-2005 national poverty reduction programme, conducted jointly with the United Nations Development Programme (UNDP), the Government had decided that income inequality had fallen to the point where poverty was no longer a priority. Between 2000 and 2007, average salaries had increased 2.2 times, while employment had risen 23.7 per cent. Unemployment currently stood at 7.3 per cent.

53. In accordance with United Nations recommendations, the Government had adopted a range of measures to assist the public with employment opportunities, good affordable education and health-care services, increased direct aid for marginalized groups and other measures, which had been made possible by a mixed system of social protection for the most marginalized groups, including retired people, persons with disabilities and large low-income families. Social protection for families with children had been enhanced. In addition to existing benefits, a woman was entitled to supplementary benefits from a special social insurance fund during times of temporary unemployment before and after childbirth.

54. The poverty problem nonetheless remained pressing in Kazakhstan. At the end of 2007, 1.4 per cent of the population earned less than the minimum subsistence level and poverty levels were three times higher in rural than in urban areas. The situation might well be exacerbated by the recent financial crisis and volatile food and fuel prices. The Government had taken action to mitigate the consequences of those crises. It had stabilized internal prices and increased agricultural production. The 2008 harvest had beaten all records, with some 20 million tons of grain produced. The Government had also allocated

$15 billion, amounting to 15 per cent of GDP, to the Samruk-Kazyna National Welfare Fund to support the national financial securities market and provide liquid assets for private-sector organizations, including small and medium-sized enterprises.

55. Her Government would draw on the best foreign practices and technical assistance provided by United Nations specialized agencies in elaborating a people-orientated economic policy, encouraging the development of a socially responsible private sector and improving the public administration system.

56. **Mr. Singh** (India) said that the proclamation of the Second United Nations Decade for the Eradication of Poverty was no academic exercise. The benefits of concerted action taken during the First Decade were clear for all to see. Moreover, the First Decade had, together with the 2005 World Summit Outcome, succeeded in placing poverty eradication at the core of the United Nations development agenda. Useful measures would undoubtedly emerge from the forthcoming Follow-up International Conference on Financing for Development, the first major event of the Second Decade.

57. If the Millennium Development Goals were to be achieved, the international community must show greater enthusiasm in fulfilling its commitments. It should also help developing countries by creating a global economic environment that promoted growth and employment creation, while respecting the freedom of each country to formulate its own inclusive development strategies. Greater flexibility was required in international development regimes. In that context, the international financial architecture overseen by the United Nations was in urgent need of reform.

58. It was no accident that developed countries were also referred to as "industrialized": industrial development was a fundamental requirement for high economic growth, without which the eradication of poverty was impossible. Industrial development had been at the heart of India's development strategy. Such an approach was not possible for a large number of countries, however. Greater international support was required. A crucial question was how to integrate pro-poor growth strategies with appropriate industrial policies. In his delegation's view, industrialization must include support for small and medium-sized enterprises, since a dynamic private sector was the motor of industrialization, as noted in the report of the Director-General of UNIDO, transmitted by the Secretary-General (A/63/309). The report — which would have been more comprehensive if it had also examined the importance of the public sector — correctly emphasized barriers to trade as a key obstacle to industrial development. His delegation was concerned that demands by the developed countries, which ran counter to the principle of "less than full reciprocity" in the WTO trade negotiations on non-agricultural market access, might undermine the limited industrial progress made by developing countries.

59. Technology was also crucial for industrial development. His delegation urged developed countries to provide developing countries with access to advanced technologies on affordable terms as a part of international development cooperation. Meanwhile, UNIDO should continue to improve its capacity-building, technical cooperation and technology diffusion activities.

60. Although South-South and triangular cooperation could play a role in industrial development cooperation, it should not be forgotten that North-South cooperation remained of supreme importance for development. In that connection, he noted that much bilateral aid was earmarked for sectors or programmes chosen by the donors themselves. Such an approach was contrary to the core principle of national ownership and should be reversed as a matter of urgency.

61. **Ms. Gustava** (Mozambique) said that Mozambique was implementing its second Action Plan for the Reduction of Absolute Poverty for the period 2006-2009, which focused on economic development, human capital and governance, and also stressed the need to improve the business environment and the financial sector. The Plan outlined a strategy for achieving the country's own development goals in line with the Millennium Development Goals. Through implementation of the Plan, Mozambique had maintained a high level of economic growth and reduced the level of poverty. Progress had been achieved particularly in basic education, child mortality, maternal mortality and immunization. However, the country was still facing challenges in the areas of unemployment, food security and HIV/AIDS. The situation had been aggravated by the rise of fuel

and food prices combined with the impact of cyclical droughts and floods.

62. The actions of the international community during the Second United Nations Decade for the Eradication of Poverty should focus on ensuring that all people were able to live in peace and security; implementing pro-poor policies; ensuring access to resources, knowledge and skills; alleviating the debt burden of poor countries; establishing a fair and equitable trade system; increasing ODA from developed countries; supporting agricultural programmes in the developing countries; and promoting gender equality and productive employment. Her delegation concurred with the Secretary-General's recommendation that an overall action theme for the Second Decade should be adopted that would convey a sense of urgency towards implementing the commitments made to eradicate poverty and to halve poverty by 2015 (A/63/190, para. 52).

63. **Ms. Khriesat** (Jordan) said that at the midway point towards the target date for achievement of the MDGs, poverty remained the major obstacle to development and the greatest moral challenge faced by the world. People were not free to achieve their economic and social rights if they could not afford them. Her country had been a leader in facilitating foreign investment, establishing industrial and commercial zones, and concluding international free trade agreements. It had launched initiatives to provide microcredit to small and medium-sized enterprises — half of them run by women — and over the past few years, had allocated $1 billion to employment, training and anti-poverty programmes. She encouraged all Governments to create innovative new funding sources to encourage people to escape dependence on charity and become active contributors to development.

64. **Mr. Davide** (Philippines) said that the constitutional provisions and laws of the Philippines guaranteed a balance between human rights and the dignity of people living in poverty. The Constitution directed the State to promote a just and dynamic social order that provided adequate social services and promoted full employment, a rising standard of living and an improved quality of life for all, as well as social justice and human rights. The Bill of Rights guaranteed free access to the courts and quasi-judicial bodies and adequate legal assistance to everyone, including the poor. The judiciary had adopted an action programme for judicial reform that addressed six main areas, including access to justice by the poor.

65. The Second United Nations Decade for the Eradication of Poverty should likewise be based on a human rights perspective. The decent work agenda of the International Labour Organization was an important aspect of the effort to preserve the dignity of the poor. Before people could be gainfully employed, however, they needed to be assured of quality education, food security, health and shelter, among other things. The needs of the poor should be taken into account in the planning and implementation of poverty alleviation programmes. The contributions of women and youth in lifting themselves out of poverty should also be taken into account.

66. The Philippines was working to coordinate its poverty alleviation programmes through the Medium-term Philippine Development Plan, in consultation with the National Anti-Poverty Commission, which was the coordinating and advisory body for implementation of the Social Reform and Poverty Alleviation Act of 1998. Before the onset of the current global crises in the food, fuel, financial and environment sectors, the Philippines had been making some headway in the fight against poverty. All those gains towards meeting the Millennium Development Goals, however, had been jeopardized by the current crises, which affected all Member States. The Philippines supported the convening by the President of the General Assembly of an Interactive Panel on the Global Financial Crisis on 30 October and the establishment of a high-level task force to review the global financial system, as well as other proposals for international discussion, coordination and action.

67. *Mr. Torrington (Guyana), Vice-Chairperson, took the Chair.*

68. **Mr. Al-Hurabi** (Saudi Arabia) said that his country had launched several anti-poverty initiatives, including the Poverty Eradication Fund, which, in conjunction with private donors, financed loans and employment projects to assist needy families and help the unemployed become contributors to economic development. Its national poverty eradication strategy included increased social security benefits, funds for public housing, and financial support for charitable organizations and those in need. Even though it was itself a developing State, his country had provided over $84 billion in development assistance to other

countries over the past three decades, and also ranked second internationally in external remittances, which were such an indispensable source of foreign currency for developing countries. His country was a major contributor to the various United Nations agencies and other international and regional organizations that addressed issues of poverty and development.

69. **Mr. Zongo** (Burkina Faso), stressing the importance of internationally agreed initiatives such as the results of the 1995 World Summit for Social Development, the Millennium Development Goals and commitments in the area of finance for development, said that Burkina Faso was working to bring its poverty reduction strategies in line with the Millennium Development Goals. The United Nations and existing inter-agency mechanisms had a crucial role to play in the coordination of actions in support of the Second Decade.

70. **Ms. Zemene** (Ethiopia) said that the Second Decade should give fresh impetus to addressing Africa's development needs, bearing in mind the close link between poverty eradication and peace and security. Ethiopia was implementing its second five-year Plan for Accelerated and Sustained Development to End Poverty, which had helped to reduce the population living below the poverty line from 48 per cent in 1990 to about 34.6 per cent in 2006. Ethiopia's technical and vocational education programme had helped improve productive capacity, particularly in urban areas. Policies and regulations designed to attract foreign direct investment were facilitating the transfer of technology and the creation of a skilled workforce.

71. The transformation of the agriculture sector, encouragement of private initiatives for the development of small enterprises, and job creation were central to the Government's national poverty eradication efforts. Concerted and sustained efforts were needed to cement the gains achieved thus far and to fundamentally transform the Ethiopian economy. The goal of accelerating growth and development in a sustainable manner was at the core of the country's agenda in fighting poverty. The country was currently faced with the challenges posed by rising food prices, the need to keep the rate of inflation at the single-digit level, and the need to attract adequate foreign direct investment and predictable levels of ODA aligned with national development priorities. Her delegation wished to emphasize the importance of national ownership of poverty eradication strategies, as well as the coordination of efforts among development partners, including the United Nations system, at a time when the current global economic realities were not favourable to poor developing countries like Ethiopia.

72. **Mr. Ettura** (Israel) said that for the past 50 years, Israel had engaged in poverty eradication through the Mount Carmel Center and the Center for International Cooperation, which followed a demand-driven, grass-roots approach. The model proposed by Israel combined the dimensions of community empowerment, building a civil society that encompassed a network of NGOs, mapping and locating community resources, managing external investment and resources from external sources, promoting socio-economic development, developing services and programmes for actual needs and problems, and developing data channels to improve access to resources. Economic development must encompass the development of the physical and social infrastructure, including opportunities for fair employment, improvement of education, public health and adequate housing, using local human resources to ensure a strong and stable community.

The meeting rose at 1.05 p.m.

United Nations A/C.2/63/SR.15

General Assembly
Sixty-third session

Official Records

Distr.: General
3 December 2008

Original: English

Second Committee

Summary record of the 15th meeting
Held at Headquarters, New York, on Wednesday, 22 October 2008, at 3 p.m.

Chairperson: Mr. Metelitsas (Vice-Chairperson) ..... (Belarus)

Contents

Agenda item 53: Eradication of poverty and other development issues (*continued*)

(a) Implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017) (*continued*)

(b) Industrial development cooperation (*continued*)

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

08-56384 (E)

In the absence of Ms. Ogwu (Nigeria), Mr. Metelitsa (Belarus), Vice-Chairperson, took the Chair.

The meeting was called to order at 3.10 p.m.

Agenda item 53: Eradication of poverty and other development issues (*continued*) (A/63/123 and A/C.2/63/3)

(a) Implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017) (*continued*) (A/63/159 and A/63/190)

(b) Industrial development cooperation (*continued*) (A/63/309)

1. **Mr. Mac-Donald** (Suriname), speaking on behalf of the Caribbean Community (CARICOM), said that there was still an unacceptable scale of poverty in the world owing to the inequitable distribution of economic, social and political opportunities. People living in poverty suffered constantly from a lack of food, the risk of disease and precarious working and living conditions. The eradication of poverty was therefore not only a key development goal but also a central human rights challenge.

2. While globalization could be a major force for combating poverty because of its immense capacity to create wealth, growth alone would not reduce poverty and income inequality. It was therefore important to have an equitable and fair trading system that promoted pro-poor growth strategies, maintained macroeconomic stability and enhanced agricultural productivity in an environmentally sustainable manner.

3. Women and young people in the Caribbean Community countries were particularly affected by their lack of access to or control over a variety of resources. They must therefore be mainstreamed into national development strategies, including poverty reduction strategies, and consulted in the policy development process. Inadequate socio-economic conditions in many countries had accelerated the feminization of poverty. In order for them to overcome poverty, women must also have equal access to full and productive employment and economic resources.

4. The global community, which already had the knowledge and the means to eradicate poverty, must display the political will to do so. Unfortunately, developing countries still had insufficient resources at their disposal to implement the national poverty eradication strategies needed to achieve sustainable development. The best way for developed countries to help them was therefore to provide meaningful debt relief, to fulfil their official development assistance (ODA) commitments and to remove their protectionist trade barriers.

5. Apart from Haiti, all CARICOM countries had been classified as middle-income countries on the basis of certain limited and arbitrary macroeconomic indicators, such as per capita income. However, that classification failed to take into account stark realities at the microeconomic level, including significant pockets of poverty. Furthermore, the graduation of CARICOM from concessionary financing had only served to exacerbate its financial situation. It was therefore important to support and not to undermine the poverty eradication efforts of CARICOM countries, particularly in the face of the various global crises which threatened to severely hamper their progress towards the achievement of the Millennium Development Goals (MDGs).

6. **Mr. Nhleko** (Swaziland) said that his Government had adopted a Poverty Reduction Strategy Action Plan which aimed to reduce poverty in Swaziland by 50 per cent by 2015 and ultimately to eradicate it by 2022, thereby placing Swaziland among the top 10 middle-income developing countries on the human development index. While those targets appeared ambitious, they were achievable through the implementation of pro-poor programmes designed to enable the poor to share fully in economic growth and human development. Such programmes, combined with good governance, should lead to more equitable distribution of wealth and empower the poor to take advantage of the new opportunities available to them. That would require structural reforms, including the transformation of the agricultural sector. In that connection, his Government had organized an agricultural summit in August 2007 aimed at reorienting production systems to encourage sustainable agricultural production.

7. **Ms. Evelyn** (Saint Lucia) said that, while her country had made progress towards financing its own development and achieving the Millennium Development Goals, the global economic slowdown had increased the need for it to focus on self-sufficiency and to invest more in industrial development, especially in the case of small and medium-sized enterprises. However, those efforts were

being constrained by tariff and non-tariff barriers, inconsistent standards in cottage industries, insufficient resources for research, a lack of foreign direct investment and a limited internal market for product testing. The opportunity to use trade as an engine for development might also be further compromised by the failure of the Doha Round.

8. Saint Lucia could not achieve its industrial development goals without assistance from its development partners. Her Government therefore placed a high value on closer partnerships with other Governments and relevant stakeholders with a view to the expansion of its small-scale and cottage industries. The idea was not to rely on those partners, but rather to seek their assistance in laying the foundations for a modern economy which included a light-manufacturing base.

9. In the current economic climate, small businesses found it increasingly difficult to compete internationally. However, her Government viewed that dismal outlook as an opportunity to build national capacity. It was therefore assessing policies with a view to implementing a more pro-poor development strategy and fostering the development of small and medium-sized enterprises. Such efforts would require technical support, training and assistance from the international community. Access to cheaper renewable energy sources would also help small and medium-sized enterprises in her country, particularly those established by the poor.

10. South-South cooperation continued to be a significant component of Saint Lucia's approach to development. Lessons on how to improve low-technology industries could also be learned from North-South cooperation, which could create an enabling environment for more specialized small and medium-sized enterprises.

11. Saint Lucia aimed to improve the competitiveness of its industries through the technical assistance and advice provided by the United Nations Industrial Development Organization (UNIDO). In that connection, it had put forward a project proposal to UNIDO requesting assistance with the transformation of the national economy. Her delegation hoped that Member States in a position to do so would lend their support to that project.

12. **Ms. Toutkhalian** (Armenia) said that her Government was deeply committed to the achievement of the Millennium Development Goals and had worked tirelessly over the past year to reduce poverty. Its pursuit of ambitious economic reforms had led to double-digit economic growth since 2002 and, consequently, to lower levels of poverty. Overall, globalization had also made lives better by opening up markets and creating opportunities that should help to reduce poverty.

13. However, poverty remained a significant problem in Armenia, where almost 25 per cent of the population lived below the poverty line. One of her Government's key objectives was therefore to reduce the poverty level to 11.2 per cent by 2012. In that connection, she noted the recent approval of her country's national poverty reduction strategy for the period 2008-2021, which was an essential component of Armenia's efforts to achieve sustainable development.

14. **Ms. Espinosa** (Ecuador) said that the global financial crisis had jeopardized the economies of developing countries and threatened to undermine the progress that they had made towards the eradication of poverty and the achievement of the MDGs. The crisis had called into question the foundations of a system that placed private interests before public interests and lacked any clear, independent or effective control and auditing mechanisms. Member States should therefore take steps to discuss how to establish a new and more transparent, democratic and equitable international financial architecture.

15. The Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus provided the ideal venue for developing and developed countries to reach agreements that could be directly beneficial to poverty eradication efforts. However, developed countries would also be expected to make a major commitment to meet their ODA objectives.

16. Her Government had made its own concerted effort to eradicate poverty through the establishment of a new Constitution and the elaboration of a National Development Plan for the period 2007-2010 whose objectives went beyond the minimum standards set by the MDGs. The Plan established a road map that changed the historical patterns of development and democracy in Ecuador. It included ambitious goals, such as the creation of a more equitable society that would guarantee stable, fair and dignified employment; access to a healthy and sustainable environment; and

the promotion of a supportive and sustainable economic system.

17. Over the past year Ecuador had established inclusive socio-economic policies and programmes and social investment in Ecuador had exceeded debt-servicing payments for the first time in 2007. A number of measures had been taken in order to achieve that objective, including channelling surplus oil earnings from the higher prices into productive credit, doubling the Human Development Bond, increasing the Housing Bond and substantially increasing investment in education and health.

18. **Ms. Loza** (Nicaragua) said that, in the current unjust international order based on a model developed and sustained by the slave trade, the exploitative capitalistic model had allowed the speculative activity of a minority to take the entire economy to the brink of global collapse. Hundreds of millions of people needed to be freed from the misery that it had caused.

19. The international community should therefore demonstrate the political will to completely restructure the international economic and financial architecture without delay. The incompetent and unfair policies of the international financial institutions had not only failed to prevent the economic and financial crisis but had also exacerbated poverty and hunger, thereby working against the achievement of the international development goals, including the MDGs. The food crisis, for example, had been compounded by the fact that developing countries had been told to manage their agricultural sectors on the basis of free-market principles, while farmers in developed countries benefited from State intervention in the form of massive subsidies. The pursuit of profit must not be the only economic goal; wealth distribution mechanisms should be established to achieve the economic and social development of all peoples.

20. To that end, Latin America was developing closer political, economic and social integration through the Bolivarian Alternative for the Americas and the PetroCaribe initiative. That framework, based on equitable trade, was enabling her country to fight poverty, in particular by investing in social projects, primarily in the area of education, which was one of the main tools for poverty eradication.

21. Her country also wished to express its solidarity with the people of Cuba, denouncing once again the United States blockade against that country, which was in breach of international law.

22. **Mr. Ntwaagae** (Botswana) said that the major challenges still faced by Africa in its efforts to eradicate poverty called for urgent action at all levels. The strategies and priority lines of action needed to eradicate poverty and achieve sustainable development, as effectively analysed in the report of the Secretary-General on the implementation of the First United Nations Decade for the Eradication of Poverty (1997-2006) (A/62/267), must be pursued in an environment of peace, stability and good governance, which were prerequisites for sustainable development.

23. More coordinated actions were perhaps needed to address the complex and multidimensional aspects of sustainable poverty eradication in a way that more effectively responded to the specific characteristics of individual countries. In that connection, support from the donor community was critical for strengthening national capacities, as stated in the report of the Secretary-General on the implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017) (A/63/190).

24. Since many of the African countries most in need of capital had often been bypassed by investors because of structural challenges and negative perceptions, the Doha Review Conference should focus on implementation of the recommendations of the MDG Africa Steering Group, as well as giving priority attention to the special needs of middle-income developing countries, such as Botswana, which had been denied ODA in the form of grants and concessionary funding. The multilateral trade negotiations at the World Trade Organization (WTO) should also be urgently resumed, since there was a strong correlation between agricultural productivity and poverty in most developing countries in Africa.

25. The role of the private sector, including small and medium-sized enterprises and microenterprises, in alleviating poverty should be recognized and facilitated; the assistance of the international community would be particularly welcome in the area of access to microcredit. His delegation appreciated the analysis contained in the report of the Secretary-General on the role of microcredit and microfinance in the eradication of poverty (A/63/159); the information on the experiences of various countries could be particularly useful.

26. Bearing in mind that the ongoing global financial, food and energy crises could further exacerbate poverty, particularly in net food-importing developing countries such as Botswana, the challenge was to strengthen system-wide coherence within the United Nations system, foster global partnerships and develop innovative strategies to ensure that the Second Decade was meaningful and results-oriented.

27. **Mr. Douangchak** (Lao People's Democratic Republic) welcomed the launch of the Second United Nations Decade for the Eradication of Poverty, which, in order to support effectively the achievement of the internationally agreed development goals, including the MDGs, should generate greater momentum for global action towards poverty eradication. That would involve strengthening national ownership and the partnership between government, civil society and the private sector, aligning United Nations country programmes more closely with national development objectives, and meeting ODA commitments. The relevant United Nations agencies must also achieve greater coherence and effectiveness in their development activities.

28. Although the progress made by least developed countries and their development partners towards implementing the Programme of Action for the Least Developed Countries for the Decade 2001-2010 had in general been uneven, his country seemed relatively on track to meet the key targets, especially those relating to poverty and hunger, which were its priority. It had incorporated the MDGs and the Brussels Programme of Action targets into its sixth five-year socio-economic development plan and had established a number of priority programmes and projects to support the plan's implementation. Over the last decade, his country, with the strong commitment of its Government and supported by international donors, had seen a steady decline in the incidence of poverty, from 46 per cent in 1992 to 28.7 per cent in 2006.

29. Despite the progress made, the Lao People's Democratic Republic still faced various challenges, particularly in the areas of malnutrition, child and maternal mortality, and HIV/AIDS and other diseases. It would need greater coordinated financial and technical support from the international community to achieve further progress in the implementation of its national development goals and international commitments.

30. **Mr. Dagoh** (Togo) said that his country, aware of the importance of poverty eradication as an indispensable requirement for sustainable development and the effective preservation of national, regional and international peace and security, had in 2007 adopted a long-term development strategy based on the MDGs and had finalized its interim poverty reduction strategy paper, through which it intended to promote harmonious and swift development of the human capital needed for sustainable economic growth. His Government had undertaken major political, economic and administrative reforms that had led to the renewed engagement of development partners in Togo after several years' suspension of cooperation. The Togo Development Partners Conference held in Brussels in September 2008 had also given the country an opportunity to present its reforms and raise awareness among its partners in order to mobilize the external resources needed to reduce poverty and achieve the MDGs.

31. The Second United Nations Decade for the Eradication of Poverty (2008-2017) would fulfil expectations only if the international community met its development assistance commitments. Particular attention should be paid to microcredit and microfinance, which had a major role to play in reducing poverty and contributing to the socio-economic development process, as highlighted in the report of the Secretary-General (A/63/159). His delegation also shared the Secretary-General's assessment regarding the need for a dedicated inter-agency mechanism to address poverty reduction, and welcomed the conclusions and recommendations of his report on the implementation of the Second Decade (A/63/190). It hoped that a plan of action would be established to strengthen the social institutions and implement public policies necessary to generate development and ensure basic economic security for all in the face of growing employment insecurity.

32. **Mr. Baatar** (Mongolia), while acknowledging the achievements of the First United Nations Decade for the Eradication of Poverty, said that poverty eradication seemed to be a perennial issue for the international community, which therefore needed a clear vision of what it wanted to achieve by the end of the Second Decade. The experiences of countries that had succeeded in alleviating poverty showed the importance of addressing its underlying causes. Since access to even insignificant amounts of capital had

given many poor people the means to increase, diversify and protect their income sources, as highlighted in the Secretary-General's report on the role of microcredit and microfinance in the eradication of poverty (A/63/159), the need to help the poor to help themselves should be the main lesson drawn from the First Decade.

33. Recognizing that unemployment and underemployment were the main sources of poverty and inequality, his country had made poverty reduction through economic growth and employment generation a key objective of its macroeconomic policy. It had also sought to ensure that the benefits of rapid economic growth were fairly distributed by undertaking quick-impact measures on poverty reduction and income generation, including raising salaries in the public sector, providing a monthly allowance to every child in the country and encouraging the development of small and medium-sized enterprises, as well as promoting technical and vocational education.

34. A substantial increase in development assistance continued to be needed to achieve a drastic reduction in poverty in poor countries. It was also worrying that market access for most developing countries was still little improved. Both developing and developed countries therefore needed to redouble their poverty eradication efforts. In that connection, his delegation also welcomed the Secretary-General's assessment of the need for a dedicated inter-agency mechanism to develop, support and monitor the implementation of the Second United Nations Decade for the Eradication of Poverty.

35. **Mr. Patriota** (Brazil) said that poverty eradication meant fighting exclusion and poverty as well as championing social justice and sustainable development. It was ethically unacceptable that more than 800 million people still suffered from hunger in a world that produced so much wealth. Eradicating poverty was therefore one of the top priorities of Brazil's political agenda.

36. There was no silver bullet to overcome poverty and hunger. National governments, international organizations and civil society should act in a coordinated manner on different fronts. While developing countries should continue to receive support through foreign debt relief, affordable and productive investment flows, increased international aid and innovative financial mechanisms, the international community should also commit to real international trade liberalization, allowing for a timely, development-oriented outcome of the Doha Development Round. At the same time, developing countries should seek to apply their resources as effectively as possible, giving priority to social programmes aimed at lifting their populations from poverty. His Government had achieved considerable progress in that regard by implementing successful programmes that had boosted the labour market as well as improving education levels and health coverage for poor families. Since the launch of the MDGs, his country had reduced extreme poverty by more than 60 per cent. Alongside its successful domestic policies, Brazil had also increased South-South cooperation through projects involving capacity-building and technology transfer to African and Latin American countries in a number of areas, including agriculture.

37. His delegation would like to see an enhancement of the United Nations development agenda. In that connection, it welcomed the recommendation contained in the Secretary-General's report (A/63/190) for a pragmatic plan of action in support of the Second Decade and wanted the mandates and goals of the United Nations development system to be more closely aligned with the challenges of eradicating poverty and hunger and promoting sustainable development. The opportunity provided by the Doha Review Conference to advance discussions on all dimensions of poverty eradication, including its economic and financial aspects, should not be wasted.

38. **Ms. Sahussarungsi** (Thailand) said that poverty involved not merely absence of money, but also lack of access to education, health care, employment, and opportunities for political, social and economic participation. Microcredit, while providing opportunities for many, often either excluded the very poorest or ran the risk of leaving them overly indebted, and efforts to promote microfinance should be accompanied by strategies to boost household income and savings. Her Government had implemented programmes to encourage community ownership of income-generating activities and production of uniquely local handicrafts that met international standards. Poverty reduction programmes also needed to address issues of rights, dignity and the empowerment of women.

39. Her delegation appreciated the work of United Nations agencies and the international financial institutions in creating partnerships among international, governmental, non-governmental and private stakeholders. Developed countries must fulfil their development assistance pledges, while developing countries needed to honour their commitments to transparency and sound economic policies. International trade offered another way out of poverty for developing countries, and she urged WTO member States to display the flexibility and political will necessary for an early conclusion to the Doha Round. South-South cooperation was an important complement to continued North-South cooperation, and the United Nations was an excellent forum for sharing lessons learned in that regard.

40. **Mr. Khan** (Pakistan) said that unfortunately the recent World Bank estimates showing that poverty was more widespread than previously believed had validated the rationale for a Second United Nations Decade for the Eradication of Poverty, which should focus on coordination between national strategies and international anti-poverty programmes such as those administered by United Nations agencies. His country was situated in a region that was home to half of the world's 1.4 billion people living in absolute poverty. As a net food and energy importer, it was among the countries most affected by both poverty in general and the recent global crises in particular, and was faced with the challenge of not only alleviating already existing poverty but also preventing millions more of its citizens from falling below the poverty line. It had mandated minimum anti-poverty budget outlays by law, and its poverty reduction strategy had lifted 13 million people out of poverty. Nevertheless, the global crises threatened to reverse that positive trajectory as well as progress made in many of the MDG indicators. Global poverty eradication strategies should focus on promoting foreign direct investment, monitoring implementation of the internationally agreed development goals under United Nations auspices, creating new sources of financing in addition to ODA, and rectifying the market mechanisms that had generated hikes in food and oil prices.

41. **Ms. Cavalieri** (Bolivarian Republic of Venezuela) observed that a new crisis, this one financial, had deepened the persistent systemic crisis in the capitalist system, affecting the most vulnerable, those living in poverty and even those who had not originally been poor but had been made poor by the catastrophe. It was vital to overcome the speculation, the selfishness and the profit motive inherent in the capitalist model and to move towards societies based on values such as equity, social justice, solidarity and respect for human rights. Poverty could not be overcome within the framework of capitalism; on the contrary, that model perpetuated the scourge of poverty.

42. Poverty elimination was the foundation of her Government's social development policy, which followed a model of economic and social development that placed the human being at the centre of State concern and action. Based on that completely new model and on a vision of solidarity and social justice, the Government had created an effective administrative structure to eliminate poverty, through a number of social programmes whose purpose was to pay off the social debt owed to Venezuelans who in the past had been the victims of social exclusion. With that policy, Venezuela had made significant progress in the fight against poverty: between 1998 and 2007, the portion of the population living in poverty had gone down from 44 per cent to 28.5 per cent, and the portion in extreme poverty from 17 per cent to just under 10 per cent. Thus Venezuela had succeeded, well ahead of schedule, in achieving the target of overcoming extreme poverty set in the Millennium Declaration. It had also achieved similar improvements in areas such as infant mortality, education, decentralization of government, and citizen participation. All such improvements would, in the final analysis, also contribute to the eradication of poverty.

43. The report on implementation of the Second United Nations Decade for the Eradication of Poverty (A/63/190) suggested a plan of action in support of the Second Decade. Such a plan should not be limited to the follow-up activities to the 2005 World Summit but should also cover the Millennium Summit, at which a new consensus had emerged on the fight against poverty. However, in recent years the financial assistance promised or provided by the great majority of the developed countries had been declining. Of even more concern was the possibility that the current financial crisis could be used as an excuse for the developed countries to continue evading their commitments. That crisis must not impact the efforts of the developing countries to combat poverty by making them bear the costs of a crisis that they in no sense had

caused, either wholly or in part. The General Assembly should convene a special high-level meeting on the topic of poverty eradication, to be held in 2010.

44. With reference to the report of the Secretary-General on the role of microcredit and microfinance in the eradication of poverty (A/63/159), her delegation agreed that such mechanisms were important. As part of its policy on empowerment of women, the Government had established the Women's Bank, which by July 2008 had granted more than 100,000 loans, benefiting two million people and assisting in the creation of more than 400,000 new jobs.

45. **Mr. Fouda Tsilla** (Cameroon) said that, in deciding to proclaim a Second Decade for the Eradication of Poverty, the United Nations was confirming the central importance of the matter in the agenda of the international community. However, Cameroon was concerned to note that the portion of the United Nations budget allocated to development activities had dropped from 21.8 percent in 1998-1999 to 17.8 per cent in 2008-2009. Furthermore, the Secretary-General's proposals currently under discussion in the Fifth Committee would increase development expenditure to no more than 18.2 per cent, a level lower than ten years earlier. The present discussion, therefore, offered an opportunity to stress the need for allocation of resources commensurate with the objectives.

46. Since no dedicated inter-agency mechanism currently existed to address poverty, Cameroon welcomed the proposal that the Under-Secretary-General for Economic and Social Affairs might lead the efforts and serve as the coordinator for the Second Decade. However, that new function should be accompanied by suitable resources.

47. The Second Decade would be successful only if all stakeholders honoured their commitments with regard to financing, and ODA in particular. The Doha Conference was of particular importance. Cameroon hoped that the current financial crisis would not jeopardize the efforts of the South countries by making the rich countries unwilling to provide development assistance. The outcome of the Second Decade would also depend on three other conditions: application of the principles underlying the Paris Declaration on aid effectiveness, establishment of a more equitable trading system and adoption by the developing countries themselves of realistic policies and programmes.

48. In the case of Cameroon, the end of the First Decade for the Elimination of Poverty had coincided with the adoption of a national anti-poverty policy. Another milestone had been the cancellation of major amounts of external debt by the country's main creditors. The savings in debt servicing had enabled the Government to spend more on improving the living conditions of its population, and in particular to bring the portion of the population living below the poverty threshold down from 53 per cent in 1996 to just under 40 per cent in 2007. In particular, the Government was concentrating on three vulnerable groups: women, rural people and young people. Despite all those efforts, more would still be needed, particularly in view of the crises in the world of finance, in food security and in energy supply. The Second Decade for the Eradication of Poverty was thus of vital importance.

49. **Mr. Seyoum** (Eritrea) said that poverty eradication could not be discussed in isolation from the MDGs, and that the recent crises should not divert attention from their achievement. The problem was not lack of resources but lack of political will and adequate institutional architecture. His country's first national Millennium Development Report showed that it was on track to achieve all the Goals except eradication of extreme poverty and achievement of universal primary education. Its success was due to enormous expenditure of financial and human capital, and he appealed to the international community for financial assistance for his Government to continue its efforts. Politics should not stand in the way a genuine partnership between rich and poor to realize dreams for the future that all people shared.

50. **Mr. Alahraf** (Libyan Arab Jamahiriya) said that the countries of sub-Saharan Africa were among those most affected by the recent rise in poverty, and were in need of greater assistance and increased investment to meet the challenge. The United Nations had an important role to play in preventing the recent financial crisis from bringing about reductions in already declining ODA and encouraging the international financial institutions to support poverty eradication programmes. External debt reduction, effective use of microfinance, investment in agriculture, economic diversification, and the creation of job opportunities were key to reducing poverty. Concerted efforts were also needed to combat HIV/AIDS, which had taken a

heavy toll on the productivity of the labour force in Africa in particular, and to assist the developing and least developed countries in confronting natural disasters. His country had launched initiatives to support agriculture, fight hunger and help women and children in the Community of Sahelo-Saharan States and throughout Africa and, with Nigeria and Cuba, had financed a South-South health care programme for African countries with insufficient health services. It supported African Union policies designed to promote continental integration through joint investment, and encouraged its private citizens to increase their investments in Africa.

51. **Mr. Kalilangwe** (Malawi) welcomed the proclamation of the Second Decade for the Eradication of Poverty as a reminder that the struggle to eradicate poverty was far from over. Eradication of poverty and hunger was a central theme of the Malawi Growth Development Strategy.

52. Agriculture was the main source of livelihood for the majority of rural people of Malawi, who accounted for more than 85 per cent of the population. In response to fluctuations in agricultural production, the Government had been implementing an agriculture input subsidy programme targeted at poor smallholders in order to achieve national food and nutrition security, and also planned to diversify agricultural production and encourage investment in the agriculture sector. It had adopted a number of pro-poor programmes and established the Malawi Rural Development Fund, which targeted women and young people and empowered them to set up small businesses.

53. Although Malawi was making reasonable progress in implementing those programmes, tangible results would be reached only through international mobilization of aid, trade, investment and debt relief. Malawi called once again on the industrialized countries to fulfil their ODA pledges to developing countries and to facilitate an early resumption and conclusion of the Doha Development Round. The fight against poverty in developing countries was also being seriously hampered by the adverse effects of climate change. Therefore, in line with the principle of "common but differentiated responsibilities", Malawi called on those responsible for the emission of greenhouse gases to assist developing countries with appropriate mitigation and adaptation measures.

54. **Mr. Chitsaz** (Islamic Republic of Iran) noted that, while some parts of the world had been successful in poverty eradication, many others were unfortunately far behind their poverty reduction targets. What was needed was political will, otherwise any number of Decades could pass without real progress.

55. His country agreed with the Secretary-General on the need for a better understanding of the nature and range of the deep-rooted obstacles to poverty reduction. It had been successful in reducing extreme poverty, with the result that the main remaining challenge was to reduce the small portion (8.99 per cent) of the population living below the food poverty line.

56. Since the developed countries had failed to make the desired macro-policy adjustments in the realm of trade, money, finance, and external indebtedness, the problem of poverty persisted and had even become more severe. The international community had a responsibility to supplement the efforts being made by the developing countries themselves. A global economic environment was needed to promote growth and job creation in developing countries. Moreover, in countries that were experiencing serious difficulties in reducing poverty, support from the donor community was necessary for their national capacity-building programmes. The commitments of the First Decade had not been kept, but those of the Second Decade must be realized. Otherwise, inequalities would grow and poverty would continue to threaten the rights and dignity of people in all regions of the world.

57. The major Powers were depicting poverty as basically an internal problem of developing countries, because they wanted to divert attention from their policy failure to deliver at the macro level. Additionally, shifting from macro-level global action to the micro-dimensions of poverty enabled them to interfere in developing countries' domestic affairs and governance and apply conditionalities of all sorts.

58. An effective inter-agency mechanism within the United Nations was required to support and monitor the activities being implemented and encourage national ownership of the Second Decade. Major United Nations conferences such as the 2005 World Summit had provided useful inputs in that regard, and, the forthcoming Doha Review Conference would also be important. Without dedicated efforts to move towards genuine development and progress for all,

critical situations and economic slowdowns would undermine efforts to tackle poverty, and the end of the Second Decade would be reached without any satisfactory results having been achieved.

59. **Mr. Park** Kwang-suk (Republic of Korea) recalled that, while some progress had been made during the First Decade, the benefits were not evenly distributed and poverty continued to threaten almost all the regions of the world. In the light of the current multiple crises of high food and fuel prices, climate change and global financial instability, the situation could worsen in the Second Decade. In particular, the financial crisis might dry up the resources required to achieve development goals.

60. The Second Decade should bring the global community together to seriously pursue the objective of poverty eradication. As pointed out in the Secretary-General's report, the Second Decade should be seen as a framework for reflection and action to boost efforts aimed at achieving the internationally agreed development goals related to poverty eradication. Without proper support from the donor community, developing countries struggling to reduce poverty would not be able to achieve national capacity-building or to mobilize national resources.

61. Even though outside assistance could help developing countries jump-start their poverty reduction initiatives, primary responsibility for achieving poverty eradication lay with the country itself. National ownership and leadership were therefore critical to the success of the Second Decade. At the same time, there was a need to improve the institutional framework, with enhanced inter-agency coordination.

62. When developed and developing countries experienced economic turmoil, the burden fell on the poor. Even during the current economic difficulties, it was very important for the global community to maintain the necessary political momentum to assist the poor. From the long-term perspective, that was the way to ensure that every effort was being made to eradicate the scourges of poverty and hunger.

63. **Mr. Al-Sabah** (Kuwait) said that the eradication of poverty depended on speeding development in the developing and least developed countries, which in turn depended on good governance at the national level, transparency in the global financial system, and the fulfilment by developed countries of their development assistance commitments. He commended the pioneers of microcredit and urged that efforts be made to ensure that microfinance was available to the poorest of the poor, and in particular to women, who were overrepresented among the poor and had historically high repayment rates. Microfinance needed to be administered in a way that increased the access of the poor to credit while protecting them from potential abuses. In the almost half-century since it had gained independence, his country had provided over $12 billion in grants and loans to over 100 countries worldwide, and had dozens of domestic volunteer institutions and associations that assisted the needy.

64. **Mr. Dall'Oglio** (Permanent Observer for the International Organization for Migration) observed that well-managed migration could benefit poverty reduction in a number of ways. For example, worldwide, remittance flows in 2007 had been estimated at over $318 billion, of which developing countries had received $240 billion. While many observers took the view that remittances were mainly used for consumption and not for development purposes, consumption did contribute to the well-being of people who received them, and to a varying degree to the national economy as well. In sub-Saharan Africa, the International Organization for Migration, the Universal Postal Union and the Pan African Postal Union were implementing a pilot project aimed at improving and expanding remittance services to migrants and their families, in particular by reducing transfer costs and enhancing access to formal transfer services through local post offices.

65. Of course, remittances were ultimately private resources and could not be a substitute for ODA. Nor could they alter the structural causes of poverty, but they could provide stopgap relief to migrants' families if well-run institutional arrangements for money transfers at reasonable cost were in place. In addition, they could promote gender equality, in particular in situations where women were empowered by receiving remittances and being in control of household budgets and family property.

66. Recognition of the connection between migration and development was growing even though the MDGs and most government development policies, such as national Poverty Reduction Strategy Papers (PRSPs), did not systematically integrate migration considerations. However, since the 2006 High-Level Dialogue on International Migration and Development, that had been gradually changing. The International Organization for Migration encouraged the

international community to continue improving the integration of migration into development policies and planning. To that end, it was working with a number of countries in mainstreaming migration into their PRSPs and was preparing a handbook to assist developing countries to do so.

67. In the current financial climate, issues related to migrants' salary levels and their impact on remittances, and the possible risks of an increase in discrimination and xenophobia against migrants, would need to be kept under close surveillance. While labour migration policies should remain flexible and responsive to changing circumstances, migrants must not be made the scapegoats for the present financial crisis.

68. **Ms. Filip** (Observer for the Inter-Parliamentary Union (IPU)) welcomed the Second United Nations Decade for the Eradication of Poverty and supported the recommendation of the Secretary-General concerning the need for an overall action theme for the Decade. The 118th IPU Assembly had been dedicated to the theme of pushing back the frontiers of poverty. During the debate, members of parliaments from both developed and developing countries had essentially agreed that, inter alia: poverty eradication should be seen as an act of solidarity rather than charity; emergency aid should not replace long-term planning; Governments had a responsibility to protect which could not be delegated to market mechanisms; and Africa deserved a special focus with respect to efforts to eradicate poverty and achieve the MDGs.

69. IPU members had expressed concern about the rise of relative poverty. Indeed, despite the increasing affluence in the world, there was growing inequality both within and among countries. The central question was therefore how to tackle absolute poverty in an environment of growing inequality. Another broader consideration was the extent to which poverty engendered war or conflict. An important way to combat poverty was thus to invest more in peacebuilding and democracy.

70. Employment creation was the key to eradicating poverty. To that end, more education, training and social services were needed, including increased efforts to prevent the social exclusion of marginalized groups and to empower women. National parliaments should be more involved in the process of reviewing poverty eradication strategies prior to their adoption, thereby ensuring full ownership of the strategies by the countries concerned.

The meeting rose at 6.10 p.m.

United Nations A/C.2/63/SR.16

General Assembly
Sixty-third session

Official Records

Distr.: General
19 December 2008

Original: English

Second Committee

Summary record of the 16th meeting
Held at Headquarters, New York, on Thursday, 23 October 2008, at 10 a.m.

Chairman: Mr. Torrington (Vice-Chairperson) ..... (Guyana)

Contents

Agenda item 53: Eradication of poverty and other development issues (*continued*)

(a) Implementation of the second United Nations Decade for the Eradication of Poverty (2008-2017) (*continued*)

(b) Industrial development cooperation (*continued*)

Agenda item 46: Information and communication technologies for development

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

08-56520 (E)

In the absence of Ms. Ogwu (Nigeria), Mr. Torrington (Guyana), Vice-Chairperson, took the Chair.

The meeting was called to order at 10.15 a.m.

Agenda item 53: Eradication of poverty and other development issues (*continued*) (A/63/123; A/C.2/63/3)

(a) Implementation of the second United Nations Decade for the Eradication of Poverty (2008-2017) (*continued*) (A/63/159 and A/63/190)

(b) Industrial development cooperation (*continued*) (A/63/309)

1. **Mr. de Looz Karageorgiades** (Observer for the Sovereign Military Order of Malta) said that the consequences of the current financial crisis were reverberating around the world, particularly among the poor and the unemployed. Words were no longer enough; ethical behaviour must guide all aspects of life. The interdependence of today's world called for new expressions of solidarity. The world had become obsessed with wealth and forgotten about poverty. With the current financial crisis, however, poverty was becoming more visible again.

2. The primary mission of the Sovereign Military Order of Malta for over 900 years had been to serve the poor and the sick and assist the helpless and refugees, whatever their race, origin or religion. The Order, which had no political bias, enjoyed diplomatic relations with over 100 countries. Its 12,500 members, 80,000 experts, 15,000 employees and 46 national associations formed an exceptional network that provided medical and humanitarian assistance in 120 countries.

3. Echoing other speakers in stressing the importance of partnerships and innovative mechanisms such as the Delivering as One initiative, he said that the Order had followed such an approach since 2003. Indeed, Malteser International's 2007 annual report outlined the activities of 29 organizations involved in humanitarian assistance and development. Together, they implemented some 5,000 projects.

4. Today, the eradication of poverty was seen as an ethical, social, political and economic imperative of humanity. In the words of Father Joseph Wresinski, founder of International Movement ATD Fourth World, wherever men and women were condemned to live in poverty, human rights were violated. To come together to ensure that those rights were respected was the world's solemn duty.

5. **Mr. Naeemi** (Afghanistan) said that his Government fully supported the Second United Nations Decade for the Eradication of Poverty (2008-2017) and strongly believed that, provided the international community demonstrated the necessary political will and commitment and took rigorous action, poverty would be eradicated at all levels by the end of the Decade. Since poverty was a critical issue of global concern, poverty eradication should be addressed from a committed and comprehensive position. A number of factors were exacerbating poverty and making it harder for countries to attain the Millennium Development Goals (MDGs). They included the current financial crisis; insecurity, poor infrastructure and inaccessibility of advanced technology and energy, particularly in post-conflict countries; the relative decline in agriculture; increasing oil prices and exchange rate uncertainty; growing energy demand; and limited international financial assistance and cooperation in the areas of capacity-building and rural development.

6. Agricultural development was crucial in terms of responding to the food crisis and controlling poverty globally. Indeed, agriculture was the backbone of developing countries' economies. Action was needed in all the areas mentioned and at all levels, particularly in countries with special needs, like Afghanistan, which faced many challenges associated with insecurity and soaring food and commodity prices. A food crisis would send millions into starvation and spark widespread instability.

7. A global effort was therefore needed to address the current crisis in countries on the verge of absolute poverty. He hoped that, during the Second Decade, the international community would seriously consider the critical situation of the countries concerned and adopt an inclusive policy that addressed the special conditions they faced. Poverty eradication was a collective responsibility based on the understanding that poverty was a threat to peace, security and prosperity everywhere. The enemies of peace, security, sustainable development and human rights were using poverty to advance their goals.

Agenda item 46: Information and communication technologies for development (A/63/72-E/2008/48 and A/63/180)

8. **Mr. Rahman** (United Nations Conference on Trade and Development (UNCTAD)) introduced the report of the Secretary-General on progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society at the regional and international levels (A/63/72-E/2008/48), which provided an overview of the activities undertaken by many entities in implementation of the Summit's outcomes at different levels.

9. Over half the world's population would obtain at least some level of connectivity in 2008, through mobile telephony. There had been an estimated 3.3 billion mobile phone subscribers at the end of 2007; the expected double-digit growth in 2008 would result in half the world's inhabitants having access to a mobile phone by the end of 2008. Consequently, the Summit's goal of ensuring that more than half the world's inhabitants had access to information and communications technologies (ICT) within their reach by 2015 would be met sooner than expected. In addition, 80 to 90 per cent of the world's population today lived within range of a cellular network, twice the percentage in 2000. Growth in mobile phone use had been fuelled not only by the convenience of mobile telephony and its ability to provide service where no fixed infrastructure existed, but also by its ability to provide Short Message Service (SMS). SMS provided a popular low-cost alternative to voice communications and a wide variety of data services.

10. The Internet gap was also closing, albeit slowly. In 2006, Internet penetration in developed economies had been only six times higher than in developing economies. The global Internet community had grown by almost 300 per cent between 2000 and 2008; by March 2008, Internet users worldwide had numbered 1.4 billion, giving an overall penetration rate of 21 per cent. Although many people still lacked even the most basic levels of connectivity, double-digit growth rates in developing countries meant that the digital divide was moving away from basic connectivity issues to issues of speed and availability of local services. Consequently, the "broadband divide" was gaining importance. Indeed, most local Internet services could not thrive or be used efficiently without low-cost broadband and the gap in broadband penetration between developed and developing countries had changed only marginally between 2002 and 2006.

11. Internet penetration continued to be extremely low and uneven in Africa. In addition, many African countries were not yet linked up by cable. Only the Western shore of Africa currently had a cable link and it was a very costly one. The report described in detail two interesting initiatives in that regard: the East African Submarine Cable System (EASSy), on which construction had begun in 2007, and the Connect Africa Initiative, launched in 2007.

12. Lastly, he drew attention to Economic and Social Council resolution 2008/3 entitled "Assessment of the progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society".

13. **Ms. Bilello** (United Nations Educational, Scientific and Cultural Organization (UNESCO)) introduced the report of the Director-General of UNESCO on the implementation of General Assembly resolution 50/130, including the recommendations of the tenth United Nations Inter-Agency Round Table on Communication for Development, held in Addis Ababa in February 2007 (A/63/180).

14. Communication for development and the fostering of free and independent media were the cornerstones of inclusive knowledge societies and essential components of the UNESCO approach to communication and information, which focused on developing a coherent strategy with its partners. In the poor and marginalized communities of the developing world, information, knowledge and communication were essential tools for development, peace and security, and a basic human right. Just and effective governance required an open exchange of information and ideas. Access to two-way communication systems, meanwhile, was crucial if communities were to participate in decision-making processes relating to their own well-being. That in turn required timely and trustworthy information, professional and independent media, a twenty-first-century communications infrastructure and a commitment by the international community to foster open and active communication on all key development challenges. Earlier that week, UNESCO and Iraq's Ministry of Education had launched the Iraqi Educational Television Channel. That European Union-funded project would enable teachers and pupils prevented from attending school by

the security conditions in the country to follow the school curriculum through distance learning and, by promoting such values as peace and tolerance, would contribute to peacebuilding and reconciliation in the country.

15. The comprehensive approach to communication for development followed by UNESCO encompassed various programme areas, with special emphasis on women, young people and marginalized communities.

16. The challenges and opportunities presented by ICT were at the heart of UNESCO efforts to implement the Geneva Plan of Action. Its aim was to democratize access to information by focusing on the ability to use technology, rather than on promoting technologies themselves. Consequently, it emphasized capacity-building in support of societal transformation. In recognition of the fact that ICT could improve access to, and the quality of, education in emerging knowledge societies, UNESCO e-learning initiatives had been formalized in its publication *ICT Competency Standards for Teachers*, which defined the range of skills needed for teachers to integrate ICT effectively into the teaching/learning process.

17. With regard to promoting freedom of expression, press freedom and legislation that safeguarded the independence and plurality of the media, the Maputo Declaration adopted at the International Conference on Press Freedom, Access to Information and Empowerment of People held in Maputo, Mozambique, in May 2008 called on UNESCO to sensitize Governments to the importance of freedom of expression, including freedom to access information, and reaffirmed the principles of open government, transparency, accountability and public access to information.

18. At its twenty-sixth session in March 2008, the Intergovernmental Council of the International Programme for the Development of Communication (IPDC) had endorsed a set of media development indicators as a diagnostic tool for all concerned stakeholders and had invited the Director-General of UNESCO to share those indicators with other United Nations agencies as an important contribution to defining a unified approach towards common country assessments and the United Nations Development Assistance Framework (UNDAF) in the fields of media development and good governance. The IPDC Intergovernmental Council's Decision on the safety of journalists and the issue of impunity, meanwhile, urged all Member States concerned to notify the Director-General of UNESCO of the status of their judicial inquiries into the killings of journalists. The Decision referred specifically to Security Council resolution 1738 (2006) and emphasized the responsibility of States to prosecute those responsible for serious violations of international humanitarian law. During 2006 and 2007, IPDC had supported 113 national projects in 66 developing countries; a further 70 projects had been approved in April 2008.

19. A growing area of UNESCO involvement was media literacy education, which aimed to nurture critical thinking to ensure that new generations of news consumers would better understand why news mattered, defend the role of independent media in their communities and promote the highest standards of journalism practice within the media establishment. To that end, UNESCO had designed a Freedom of Expression Toolkit for secondary school students and developed curriculum enrichment material on media and information literacy for teacher training institutions. A fully functional media environment engaged with a discerning community strengthened civil society.

20. Moreover, UNESCO had fostered community radio initiatives, in particular the establishment of community radios owned and operated by marginalized communities. Radio remained the most accessible low-cost communication channel for rural communities. The UNESCO approach of combining community radio and telecentre facilities to form community multimedia centres had enabled marginalized communities to reap benefits from knowledge sources otherwise available only through online networks and offline digital resources. Until such time as the digital divide disappeared, existing mechanisms should be used to the fullest extent possible.

21. Lastly, UNESCO assisted independent media in conflict and post-conflict situations in gathering and disseminating non-partisan information and in contributing to peacebuilding and reconciliation processes. Inter alia, it promoted dialogue between media professionals in conflict zones and the outside world and advised the authorities of countries in post-conflict situations on drafting new media legislation, including freedom of expression legislation.

22. **Ms. Greenaway** (Antigua and Barbuda) wished to know whether the complex nature of the follow-up mechanism for the World Summit on the Information Society, as referred to in paragraph 24 of Economic and Social Council resolution E/2008/3, hindered the implementation of the outcomes of the Summit and, if so, what recommendations could be made for overcoming that obstacle.

23. **Mr. Rahman** (United Nations Conference on Trade and Development) said that a wide variety of stakeholders had been encouraged to participate in the World Summit, including non-governmental organizations (NGOs). The complexity of ICT and the major implications they had for developing countries had in part been responsible for the Summit's being held in two phases. In addition, it had been difficult to assign responsibilities and to measure progress, owing to unavailability of data. Lack of data was partially due to the relative novelty of ICT. However, much progress had already been made in both the collection and dissemination of data, supported by the designation of certain agencies as action line facilitators. The Commission on Science and Technology for Development platform was very useful in that regard, as it sought to address issues in an inclusive manner.

24. **The Chairperson** invited the Committee to engage in a general discussion on the item.

25. **Ms. Greenaway** (Antigua and Barbuda), speaking on behalf of the Group of 77 and China, said that the potential of science and technology to eradicate poverty and promote socio-economic development remained largely unfulfilled. There continued to be a technological divide between rich and poor countries, despite the development of a broad spectrum of new technologies. In that connection, progress on Millennium Development Goal 8 was severely lacking; the international community should in particular focus on the target of making available the benefits of new technologies.

26. A development-oriented information society was in the best interest of all humanity. Greater emphasis was needed on the transfer and dissemination of information and communications technologies to as well as within developing countries. The United Nations system played a key role in promoting and facilitating multi-stakeholder partnerships at all levels in support of developing countries' efforts to use ICT as a tool for national development.

27. Referring to paragraph 111 of the Secretary-General's report (A/63/72-E/2008/48), she said that the statement that progress "seem[ed] to be on track" suggested some uncertainty over the exact progress made. It was important to benchmark progress towards specific goals set out in the World Summit outcomes; she urged the United Nations System and the international community to take concrete action, including providing further support to the Global Digital Solidarity Fund.

28. Further emphasis should be placed on reducing the cost of communications technologies and on capacity-building, with a view to supporting countries' efforts to increase access to such technologies and to adapt them to meet local needs. Public-private partnerships and multi-stakeholder approaches were increasingly important.

29. She remained hopeful that the effective implementation of the Geneva and Tunis phases of the World Summit would help developing countries benefit fully from ICT. The continued insistence by developed countries that ICT could be made available only through the private market would not result in fulfilment of that objective. She urged the United Nations system to give priority to monitoring progress and to focus on the transfer of technology in order to facilitate a truly development-oriented information society.

30. **Mr. Delacroix** (France), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina and Montenegro; and, in addition, Armenia, the Republic of Moldova and Ukraine, said that the European Union attached great importance to the implementation of the outcomes of the World Summit, particularly with regard to Internet governance and reduction of the digital divide. It welcomed the forthcoming Internet Governance Forum and encouraged all stakeholders to participate actively. Referring to the recent Ministerial Conference on the Internet of the Future, at which the European Union had reaffirmed its commitment to the information society, he said that the Internet of the future would help to address major international societal issues.

31. Combating the digital divide was crucial; in that connection, France would be hosting an international

conference on digital solidarity in November 2008. The European Union welcomed the success of the Connect Africa Summit in October 2007 and reiterated its strong commitment to the Connect Africa Initiative to develop ICT infrastructure and other regional initiatives. Finally, he proposed that the United Nations should reflect on ways in which the Organization itself might usefully employ ICT, for example by providing webcasts of committee proceedings. Such an initiative would also contribute to the Organization's goal of becoming more environmentally friendly.

32. **Mr. Muita** (Kenya), speaking on behalf of the Group of African States, said that it was regrettable that ICT had not been included as one of the sectors addressed under the Goals framework, given that the digital divide was a cross-cutting obstacle to achieving the Goals. While ICT could not replace a true development strategy, they offered significant opportunities to the disadvantaged sectors of society and thus contributed meaningfully to the development process. ICT represented not only a technological, but also a socio-economic challenge. The international community should endeavour to implement the outcomes of the World Summit with a view to improving accessibility to ICT and to establishing an open, balanced, people-centred and development-oriented information society. The role of the United Nations was crucial in leading a global coordinated approach in that regard.

33. The challenges posed by the digital divide for African countries had forced them to choose between many competing goals in their development process. Indeed, bridging the digital divide required adequate resources and sustainable investments in ICT infrastructure and services, capacity-building and technology transfer. The Global Digital Solidarity Fund could play a significant role in reducing the digital divide, building an inclusive information society and putting ICT at the service of development. He called on development partners and others to provide voluntary contributions to the Fund.

34. The Group of African States welcomed the decision by the French Government to convene the first international conference on digital solidarity and hoped that it would make a positive contribution to bridging the digital divide, as well as to advancing the Review Conference on Financing for Development.

35. **Ms. Wahab** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that ICT were essential for all aspects of development. The international community must continue to work together to accelerate the development of ICT infrastructure and services in bridging the digital divide for the benefit of all communities. Initiatives that provided the poor with access to ICT empowered them to change their circumstances by participating in the development process.

36. ICT should be used to enhance global efforts to address epidemics, food security and climate change. The use of ICT in environmental protection and disaster relief had become extremely important and should be expanded to the management of environmental data for sustainable development and disaster mitigation and preparedness.

37. It was essential to identify best practices for energy efficiency in ICT to support mitigation and adaptation measures. At the same time, different ways in which ICT could be best used to help other sectors reduce their emissions should also be explored.

38. ASEAN attached great importance to the development of the ICT sector, especially as progress was made towards achieving a connected and secure ASEAN Economic Community by 2015. It was committed to implementing the Vientiane Action Programme on telecommunications and information technology sectors, which aimed at, inter alia, achieving universal access to ICT infrastructure and services. ASEAN welcomed the continuing support of UNCTAD in assisting countries with ICT policies and strategies for the creation of a competitive information economy.

39. **Mr. Mansour** (Tunisia) said that his country had made ICT one of the main pillars of its development strategy. In recent years, a series of reforms had been implemented in the communications sector, particularly to develop the organizational and regulatory framework, modernize telecommunications infrastructure, expand the knowledge economy and improve productivity. Currently, nearly one quarter of the population used the Internet, supplied by both public and private companies, most educational establishments were connected to the Internet, and a national programme to provide low-cost computers on credit also gave access to families. In addition, mobile

telephony was available to about 85 per cent of the population.

40. According to the report of the Secretary-General (A/63/72-E/2008/48), the digital divide had moved from inequalities in basic quantity and access to include differences in quality and capacity, since the cost of broadband connection was inversely proportionate to the level of development. It appeared that ICT development was reproducing the same disparities and becoming a source of marginalization rather than an element of integration, and that the digital divide was symptomatic of the social divide and the product of an imbalanced global economic context. Thus, there was not only a technological but also a socio-economic challenge, since ICT could not replace a real development policy. However, owing to their ability to accelerate the development process and the achievement of the MDGs, ICT conditioned the way of life and living standards of entire societies. Despite the progress made at the national, regional and international levels, not all countries had been able to take advantage of the digital revolution and establish the conditions for a global digital partnership based on solidarity, complementarity and cooperation.

41. The international community had the obligation to implement the outcomes of the World Summit on the Information Society to help bridge the digital divide and establish an open, equitable and development-oriented information society. Lastly, his delegation welcomed the contribution of the United Nations Group on the Information Society and recommended providing more information on its work, particularly in New York, to the States Members.

42. **Mr. Chen** Ming (China) said that ICT accelerated the dissemination of knowledge, expanded the scope of information flow, and enhanced contacts and understanding among the people of the world. The 2008 Olympic Games held recently in Beijing had been the first ever "broadband Olympics". Thanks to an impressive technological infrastructure, ICT had allowed viewers around the world to witness the event in real time, helping to spread inspiration and hope to humanity. In addition, information, photographs and videos had been transmitted instantly to news services and to mobile telephones.

43. ICT had tremendous potential for boosting social progress and economic growth, but its development was very uneven. New technology was being developed rapidly and a knowledge-based economy was emerging; however, owing to poverty, about one sixth of the world's children were still deprived of the right to education. Poverty and lack of education went hand in hand: children without education lacked skills to emerge from poverty. China called on the developed countries to help the developing countries extend education and training, particularly in the area of science and technology, and build the capacity of poor regions to promote education and eradicate poverty. China was convinced that ICT would play an important role in delivering results for the people most in need and helping them to achieve the MDGs.

44. **Mr. Anwar** (India) said that the fact that it was estimated that by the end of 2008 half the world's population would have access to a mobile telephone demonstrated that developing countries did not have to follow the same sequence of technology development as developed countries. While India was among the successful examples of mobile telephony penetration, issues related to the quality and affordability of Internet access were widening the digital divide; greater efforts were required by the international community to bridge the gap.

45. ICT were crucial to development efforts, particularly in view of their positive influence in almost every field, reducing transaction costs, expanding access to remote areas, improving the marketing capabilities of the rural poor, reducing intermediaries in production chains, and enhancing Government accountability and democratic participation. However, infrastructure and human resources remained a crucial constraint. The international community should therefore extend its technical and financial support, particularly through the United Nations, to ensure that developing countries could make ICT available to millions.

46. ICT represented one of the fastest-growing sectors of Indian industry, in particular in the area of software development and services, which had generated growth and employment. Business process outsourcing had been a key element in the rapid growth, leading to the acceptance of an information technology-based global delivery model. The employment generated by the growth in the ICT sector had had a positive impact on the domestic economy, giving rise to a number of other industries. Proactive Government policies had made an important contribution to India's success, testifying to the fact

that the private and State sectors could work together effectively.

47. India was also using ICT for development and had formulated a five-year national e-governance plan encompassing road transport, taxes, agriculture, land registration, education, postal services and identification documents. To facilitate access, efforts were being focused on developing software in multiple Indian languages and reducing costs. ICT were also being used to reach rural areas with initiatives such as tele-education and telemedicine. Within the framework of South-South cooperation, India had been providing assistance in setting up a pan-African e-network project linking major universities and hospitals in different regions of Africa with major Indian universities and hospitals, and providing assistance for information technology capacity-building in several partner countries in Africa and Asia.

48. **Mr. Seye** (Senegal) said that ICT evidently held great promise, but also the risk of leaving much of the global population behind. Accordingly, they should not be considered an end in themselves, but rather an effective means of promoting sustainable development, which explained why Africa had decided to incorporate ICT into its development priorities. Nevertheless, as the report of the Secretary-General (A/63/72-E/2008/48) had underlined, despite some positive trends, Africa was the continent that was benefiting least from the digital revolution and much of its population remained on the outskirts of the information society. The situation gave cause for concern, but was explained by the high cost of communications, and the absence of adequate infrastructure, and human and financial resources.

49. The worthy intention of facilitating the use of ICT in developing countries inspired the principle of digital solidarity, and the creation of the Digital Solidarity Fund responded to a desire to provide a pertinent response to the challenge of the digital divide. Digital solidarity proposed a "win-win" partnership, not only encouraging the strengthening of the digital capacity of the South, but also opening up new market opportunities for partner countries and firms. The Fund, which operated exclusively with voluntary public or private contributions, under the "1 per cent digital solidarity principle", was already functioning, mainly in the field of telemedicine and tele-education. Senegal invited members of the global society who had not already done so to contribute to that innovative instrument. A first conference on digital solidarity and financing would be held in November 2008 to identify priorities and negotiate an international convention.

50. Senegal endorsed the proposal to make use of the immense potential represented by ICT for economic and social development. It was already a member of the global telecommunications network and had set up a regulatory agency and an e-governance initiative that made public actions more effective and transparent and reduced bureaucracy. The Government was also developing a programme to provide computers to all schools and had enacted a law introducing the 1 per cent digital solidarity principle for all public procurement contracts for digital goods and services. The Internet was not a luxury; it offered developing countries a shortcut to economic development.

51. **Ms. Midaoui** (Morocco) said that ICT were crucial if developing countries were to close the gap separating them from developed countries. As stated in the Secretary-General's report (A/63/72-E/2008/48), there were wide discrepancies: although the number of Internet users had increased a thousandfold over the period 2000-2008, Africa accounted for only 3.5 per cent of such users. Her delegation therefore welcomed the fact that the Global Digital Solidarity Fund, set up following the World Summit on the Information Society in 2003, of which Morocco was a founder member, had established objectives to meet the requirements of developing countries, such as reducing the digital divide and providing general access to new communication technologies. Morocco had, through the Fund, demonstrated its solidarity with the African countries by working to bridge the digital divide. It had organized the third of the African Free Software Meetings in Rabat in November 2007, with the theme "Free software and education". It also supported the Connect Africa Initiative launched at the Connect Africa Summit held in Kigali in October 2007. The Initiative aimed to mobilize human, financial and technical resources throughout Africa in order to put ICT within the reach of all African rural communities by 2015.

52. In 2005, Morocco had launched its national cyber strategy, e-Morocco 2010, one objective being to reduce the digital divide. In order to remedy persistent problems with access or insufficient know-how, the strategy focused on four main topics: the development of content that would be useful and relevant in a

national context; the availability of an efficient infrastructure at the lowest possible price; access by all Moroccans to the information society; and ICT training at all levels.

53. The other strategic objective of e-Morocco 2010 was to improve Morocco's international standing. ICT represented a powerful engine for the country's economic development, enabling it to galvanize foreign trade, attract foreign capital investment and encourage ICT industries to relocate to Morocco or set up offshore arrangements. The strategy had worked. After just over a decade of creating an environment suitable for the development of the sector, Morocco currently found itself in a very favourable position. The liberalization of the sector had led to strong competition, resulting in a significant fall in prices and an improvement in the services available.

54. The launch of electronic commerce — one feature of e-Morocco 2010 — was currently in progress. It had, however, necessitated the establishment of a suitable legal environment, with regard to protection of personal data and intellectual property. Legislative reform relating to foreign exchange and online payment systems was also required. E-government had been introduced and was operational in a number of sectors, including customs, security, education and Government procurement. Another project — to set up interconnection links — was currently under way. ICT also provided a considerable amount of direct and indirect employment and contributed significantly to the gross domestic product.

55. At the international level, Morocco had acceded to the Basic Telecommunications Agreement of the World Trade Organization (WTO) and accepted the Fourth Protocol relating to basic telecommunications liberalization. It was also opening up its telecommunications market by authorizing foreign firms to provide telecommunications services in its territory. Morocco had also acceded to the WTO Information Technology Agreement in November 2003, which had made it easier to access ICT products on the national market and facilitated the wider use of telecommunications, including multimedia services. Its accession to the Agreement had attracted foreign investors, with a consequent positive effect on the development of the country's ICT industries and electronic commerce.

56. Success had bred success and the country's largest operator had gone international. Indeed, the wider availability of ICT and the development of modern infrastructure had enabled many Moroccan firms to expand abroad, especially in West Africa. That had led to an increase in regional and continental trade flows and thus had an impact on poverty. At times of transition, it was essential for countries to take full advantage of new technologies.

57. **Mr. Al-Murbati** (Bahrain) said that his country was already using e-government for such activities as utility bill payments and visa applications, and was planning to add numerous other services in the near future. His Government had collaborated with Microsoft Corporation to train teachers to incorporate ICT into education, launched the King Hamad Schools of the Future Project, and donated $435,000 to fund the United Nations Educational, Scientific and Cultural Organization (UNESCO) King Hamad bin Isa Al Khalifa Prize for the Use of Information and Communication Technologies in Education. It had been the first in the region to introduce a multipurpose "smart card" that functioned as an identity card, driver's licence, voter registration, and travel document for the Gulf region, and had also been the first in the region to conduct an online referendum. It had worked with the private sector to facilitate online investing and to encourage small and medium-sized enterprises to conduct business online. His country had been recognized internationally as a regional leader in e-government and ICT, and had been selected by UNESCO as the site for its planned Regional Centre for Information and Communication Technology and as the permanent host country for the newly formed Gulf e-Commerce Forum.

58. **Mr. Shautsou** (Belarus) said that the Secretary-General's report (A/63/72-E/2008/48) drew attention to the large number of initiatives throughout the world aimed at bridging the digital divide between developed, developing and transitional countries. The report also noted the inadequacy of existing coordination mechanisms and the need to improve the synergies of the World Summit on the Information Society Task Force and other international ICT initiatives. The report itself would improve the situation, with its call for the speedy introduction of measures to facilitate the distribution, development and use of ICT, the basic outlines of which were set out in the Millennium Declaration.

59. The report also contained a number of interesting practical recommendations for harnessing the potential of business and civil society in achieving the aims of the World Summit. Serious consideration should be given to the proposal that progress towards the attainment of the targets and goals set out in the Geneva Plan of Action and the Tunis Agenda for the Information Society should be benchmarked.

60. Belarus understood the need to enhance its ICT potential, close the digital divide between urban and rural areas, and develop and install up-to-date high-technology systems in the field of telemedicine, electronic commerce, biometric passport and visa controls and distance learning. It was actively working on introducing electronic government, which would involve a central State information resource. The Ministry of Communications and Information Technology was coordinating a network of automated systems for government departments as part of the State ICT programme "Electronic Belarus". Another important project was to create an electronic version of the archives of the new national library and to introduce a corporate cataloguing system to provide the widest possible range of local and foreign users with easy access to the library's holdings.

61. **Mr. Patriota** (Brazil) said that the importance of ICT for development had been widely recognized. The next step was to decide — and adopt a resolution on — the best way of implementing the Tunis Agenda. It was unfortunate, therefore, that a central element of the Agenda — enhanced cooperation — had not been achieved. The Secretary-General's report (A/63/72-E/2008/48) noted that consultations with 11 organizations had "elicited a range of different views on the implications of what had been agreed at Tunis on the topic and that there was little common ground". Those consultations were crucial to determining a role for the United Nations in the debate on ICT for development and the thorny issue of Internet governance. The results of the consultative process should be conveyed to members as soon as possible, with the Secretary-General's recommendations on the best way to proceed.

62. The Internet Governance Forum (IGF) had been attached to the United Nations Secretariat but no specific regular budget allocation had yet been made. It was therefore compelled to rely on voluntary contributions. The precarious nature of such an arrangement was demonstrated by the fact that simply by holding the second meeting of IGF in Rio in 2007 and bearing its costs, Brazil had become a major contributor to the Forum. To accomplish its mission, IGF clearly needed extra funds, especially in order to support greater participation by developing countries, which had been conspicuously and systematically underrepresented, both in consultation meetings and in the Forum itself. The standards set by the Tunis Agenda had not been fully met. It was therefore important to fund the Forum adequately and ensure enhanced cooperation, under the Secretary-General's leadership. The spirit of the Tunis Agenda should be kept alive through implementation of the agreements already reached.

63. **Ms. Filip** (Observer for the Inter-Parliamentary Union (IPU)) said that the mandate of the joint United Nations-IPU Global Centre for ICT in Parliament, established in 2006, was to assist parliaments in tapping into the unique opportunities provided by ICT. In 2008, the Board of the Centre had invited all parliaments to hold discussions on the status of the information society in their countries and to ensure that, by 2020, authoritative and complete information on all stages of the legislative process was accessible on the Internet.

64. In May 2008, the Centre had brought together members of parliamentary committees dealing with ICT to discuss experiences and different perspectives. The meeting had highlighted common concerns, such as the need for an appropriate global response to cybercrime and cyberterrorism, while respecting fundamental rights, such as the right to privacy.

65. Other concerns had also been aired. A member of the Rwandan Senate had noted that, despite the existence of a number of laws dealing with specific aspects of ICT, Rwanda lacked an overarching law that would cover such areas as e-government, electronic security and electronic privacy. The Rwandan Parliament was taking the lead in promoting the marketing of intangible goods — knowledge and information — in the African region.

66. A member of the Danish Parliament had discussed the Parliament's role in bringing the information society to all. Following a resolution adopted in Parliament, an agreement had been reached between the central and local governments and the Danish regions and mandatory open standards for software in the public sector had come into effect in

2008, the aim being to ensure that the authorities' use of ICT supported the public's democratic right to receive and send digital information.

67. The Centre's other activity was to support parliamentary administrations in using modern technology in order to become more transparent, accessible and accountable and to empower people to be more engaged in public life. In February 2008, the Centre, IPU and the United Nations Department for Economic and Social Affairs had published the first World e-Parliament Report, based on data from 105 assemblies, which had concluded that a significant gap remained between what was possible with ICT and what had actually been accomplished by parliaments. Only 10 per cent of the chambers surveyed made extensive use of ICT. At least 10 per cent — and perhaps as many as 30 per cent — were significantly constrained by lack of resources. The status of the ICT systems and services of other parliaments varied. Even if adopted, many ICT applications appeared to operate at the lowest level of utility and had not been used to improve efficiency or offer additional services. If the use of ICT was to increase, there would need to be greater cooperation and coordination among parliaments and other stakeholders.

68. **Mr. Clough** (United Nations Industrial Development Organisation) (UNIDO)) said that UNIDO was fully committed to harnessing ICT for development and helping international efforts to bridge the digital divide. It was increasingly clear that innovation-driven productivity gains must become the engine of growth for manufacturing industries. Countries therefore had to devote special efforts to keeping up with technological advances. At the same time, the role of ICT in promoting social transformation should not be underestimated: they could end the isolation of individual poor people overnight.

69. UNIDO conducted programmes to upgrade enterprises and build trade capacity, a key element of its approach being to mobilize the private sector's expertise in ICT to promote social and economic development. To that end, it had in the past two years signed partnership agreements with two major ICT companies, Microsoft and Hewlett-Packard.

70. The partnership with Microsoft focused on the development and growth of small and medium-sized enterprises through the use of ICT. Specific activities included the establishment of a business information network in Uganda, which had received an Africa Investor Award in 2007; a three-way partnership between UNIDO, Microsoft and the Government of Uganda on establishing an innovation centre to devise software solutions that addressed the needs of small-scale entrepreneurs in Africa; and the development of an innovative pro-poor business model for the establishment of computer refurbishment centres. The model could make ICT more accessible to people at the bottom of the economic pyramid, while putting in place structures to ensure that electronic waste was properly disposed of. The model had significant potential to be adopted on a wider scale.

71. The partnership with Hewlett-Packard had resulted in the Graduate Entrepreneurship Development Training through IT (GET-IT) programme, which was already being deployed in a number of African countries, including Egypt, Morocco, Nigeria, South Africa, Tunisia and Uganda, and was expected to be extended to other countries in Africa and the Middle East. The partnership promoted the use of ICT for skills development and capacity-building, thus helping to reduce poverty in the participating countries.

72. The promotion of ICT for development should take particular account of gender issues. With limited access to schooling, women were less likely than men, especially in rural areas, to have ICT skills. It was therefore crucial for the international community to foster women's equal participation in the information society. UNIDO designed its projects in such a way as to cater to the specific needs of women entrepreneurs.

73. Lastly, he drew attention to a recent UNIDO publication, entitled *Building e-competence: enabling small business to access opportunities through Information and Communication Technology*, which provided further information on the UNIDO approach to ICT for development.

The meeting rose at 12.55 p.m.